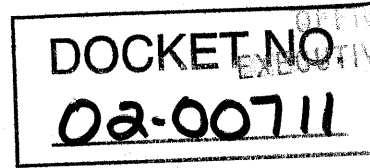


1-800-RECONEX

Because Everybody Needs A Phone™

June 10, 2002

Tennessee Regulatory Authority
Executive Secretary
460 James Robertson Parkway
Nashville, TN 37243-0505



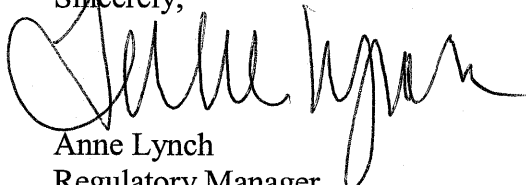
Re: Application for Certificate to Provide Competing Local Telecommunications Services

Dear Executive Secretary:

Enclosed please find the original plus thirteen (13) copies of the above-referenced Application for 1-800-RECONEX, Inc. Also enclosed please find a check in the amount of fifty dollars (\$50) to represent the filing fee.

If you have any questions or need any further information, I can be reached at 503-982-5572 or anne.lynch@reconex.com.

Sincerely,


Anne Lynch
Regulatory Manager

BEFORE THE TENNESSE REGULATORY AUTHORITY

**IN THE MATTER OF THE APPLICATION
OF 1-800-RECONEX, INC. FOR A
CERTIFICATE TO PROVIDE COMPETITIVE
LOCAL TELECOMMUNICATION SERVICES**

**APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Communications Act of 1996 ("Act"), 1-800-RECONEX, Inc. ("Reconex") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant Reconex authority to provide competing local telecommunications services, including exchange access telecommunications services within the state of Tennessee. Reconex is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services. TCA 65-4-201

In support of its Application, Reconex submits the following:

1. The full name and address of the Applicant is:

1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-8000 (Telephone)
503-982-6077 (Facsimile)

Questions regarding this application should be directed to:

Anne Lynch
Regulatory Manager
2500 Industrial Ave., P.O. Box 40
Hubbard, Oregon 97032
503-982-5572 (Telephone)
503-982-6077 (Facsimile)

Contact name and address at the Company is:

Attn: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
P.O. Box 40
Hubbard, Oregon 97032
503-982-8000 (Telephone)
503-982-6077 (Facsimile)

2. Organizational Chart of Corporate Structure: Include any pertinent acquisitions or merger information

See Exhibit A

3. Corporate Information

1-800-RECONEX, Inc. was incorporated in the state of Oregon on March 5, 1998. A copy of Reconex's Articles of Incorporation and amendments are provided in Exhibit B. A copy of Reconex's Authority to transact business in the state of Tennessee is provided in Exhibit C. The names and addresses of the directors and principal corporate officers are in Exhibit D. There are no officers in Tennessee. The biographies of the principal officers and any other key technical staff are in Exhibit E.

4. Reconex possesses the managerial, technical, and financial ability to provide local telecommunications service in the state of Tennessee as demonstrated below:

A. Financial Qualifications:

In support of its financial qualifications, Reconex submits its current balance sheet and income statement as Exhibit F.

B. Managerial Ability:

As shown in Exhibit E to this Application, Reconex has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, Reconex's management team has extensive management and business experience in telecommunications.

C. Technical Qualifications:

Reconex services will satisfy the minimum standards established by the TRA. The Company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required by all LEC's regulated by the TRA. Applicant will not require customers to purchase CPE, which cannot be used with the Incumbent Local exchange Carrier's systems. As noted in the biographies (Exhibit E) of the principal officers, of the corporation have experience in the telecommunication and business sector

5. Proposed Service Area:

Reconex is authorized to provide telecommunications service in Alabama, Arizona, Arkansas, California, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Vermont, West Virginia, Wisconsin, Wyoming and was certified to provide Resell Telecommunications Services in Tennessee on July 9, 1997 (Company ID: 126366).

Reconex proposes to offer its services throughout the state of Tennessee with none of its own switches located in the state of Tennessee. Reconex intends to offer its broad range of telecommunications services through the use of the facilities of BellSouth, Sprint/United and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996.

6. Types of Local Exchange Service to be provided:

Reconex expects to offer a broad variety of local exchange services, to residential and business customers in Tennessee. Reconex's initial line of local services will be comparable to that currently offered by the incumbent LECs. Initially Reconex plans to offer basic access line service.

7. Repair and Maintenance:

Reconex understands the importance of effective customer service for local service customers. Reconex has made arrangements for its customers to call the company at its toll-free customer service number 1-800-275-8223. In addition, customers may contact the company in writing at the headquarters address, as well as via email at mail@reconex.com. The toll free number will be printed on the customer's monthly billing statements. The contact person knowledgeable about providers operations is Anne Lynch, Regulatory Manager. She can be reached at 503-982-5572 (telephone); 503-982-6077 (facsimile); P.O. Box Industrial Ave., Hubbard, OR 97032; or anne.lynch@reconex.com.

Granting the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the state of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing Reconex to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the state of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by Reconex and indirectly, because Reconex's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Granting this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. Small and Minority-Owned Telecommunications Business Participation Plan (65-5-212):

Please see Exhibit G

9. Toll Dialing Parity Plan:

Please see Exhibit H

10. Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee. See Exhibit I for the list.

11. Tennessee Specific Operational Issues:

Reconex is a non-facilities based corporation with no facilities in the state of Tennessee. However, payment agents will be located throughout the state of Tennessee.

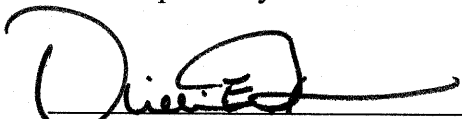
12. Miscellaneous:

- A. Sworn Pre-filed testimony: Exhibit J
- B. Application does not require customer deposits
- C. Complaints in any of the states, in which Reconex is doing business: N/A
- D. A copy of our tariff is attached as Exhibit K.

CONCLUSION:

Reconex respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunication service provider and authority to provide a full range of local exchange on a facilities-based and resale basis throughout the state of Tennessee. For the reasons stated above, Reconex provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted this 10th day of June, 2002



William E. Braun
Counsel for 1-800-RECONEX, Inc.

EXHIBIT
“A”

Organization Chart of Corporate Structure
1-800-RECONEX, Inc.

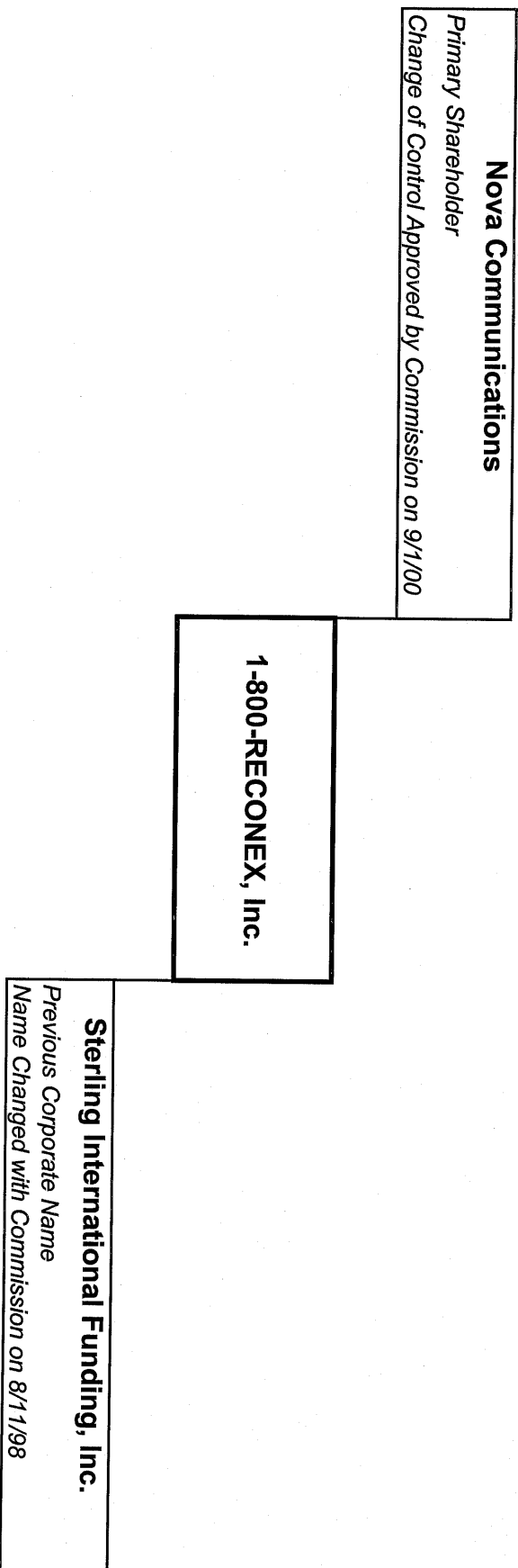


EXHIBIT
“B”

CERTIFICATE

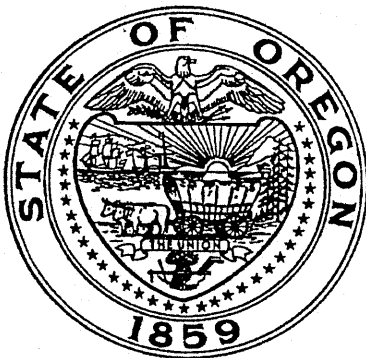
State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

I, **BILL BRADBURY**, Secretary of State of Oregon, and Custodian of the Seal
of said State, do hereby certify:

That the attached Document File for:
1-800-RECONEX, INC.

is a true copy of the original documents
that have been filed with this office.



In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.

BILL BRADBURY, Secretary of State

By Marilyn R. Smith
Marilyn R. Smith
October 13, 2000

621283-85

ARTICLES OF INCORPORATION
OF
1-800-RECONEX, Inc.

FILED
MAR 05 1998
OREGON
SECRETARY OF STATE

The undersigned individual of the age of eighteen years or more, acting as incorporator under the Oregon Business Corporation Act, adopts the following articles of incorporation:

ARTICLE I.

CORPORATION NAME

The name of the corporation is 1-800-RECONEX Inc.

ARTICLE II.

STOCK

A. The aggregate number of shares which the corporation shall have authority to issue shall consist of 10,000,000 shares of common stock ("Common Stock"), \$0.01 par value and 1,000,000 shares of preferred stock ("Preferred Stock"), \$0.01 par value.

B. The Board of Directors is hereby authorized to fix or alter the rights, preferences, privileges and restrictions granted to or imposed upon additional series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or of any of them. Subject to compliance with applicable protective voting rights which have been or may be granted to the Preferred Stock or series thereof by law or in Articles of Amendment adopted by the Board of Directors ("Protective Provisions"), but notwithstanding any other rights of the Preferred Stock or any series thereof, the rights, privileges, preferences and restrictions of any such additional series may be subordinated to, made pari passu with (including, without limitation, inclusion in provisions with respect to liquidation and acquisition preferences, redemption and/or approval of matters by vote or written consent), or made senior to any of those of any present or future class or series of Preferred or Common Stock. Subject to compliance with applicable Protective Provisions, the Board of Directors is also authorized to increase or decrease the number of shares of any series, prior or subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

621283-85

ARTICLE III.

REGISTERED AGENT

The address of the initial registered office of the corporation is Ater Wynne Hewitt Dodson & Skerritt, LLP, 222 S.W. Columbia, Suite 1800, Portland, Oregon 97201 and the name of the initial registered agent of the corporation at such address is AW Services, Inc. The mailing address of the corporation for notices is c/o Ater Wynne Hewitt Dodson & Skerritt, LLP, 222 S.W. Columbia, Suite 1800, Portland, Oregon 97201.

A 593723-85

ARTICLE IV.

INCORPORATOR

The name and address of the incorporator are: Jack W. Schifferdecker, Jr., Ater Wynne Hewitt Dodson & Skerritt, LLP, 222 S.W. Columbia, Suite 1800, Portland, Oregon 97201.

ARTICLE V.

DIRECTOR LIABILITY

No director of the corporation shall be personally liable to the corporation or its shareholders for monetary damages for conduct as a director; provided that this Article V shall not eliminate the liability of a director for any act or omission for which such elimination of liability is not permitted under the Oregon Business Corporation Act. No amendment to the Oregon Business Corporation Act that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a director for any act or omission that occurs prior to the effective date of such amendment.

ARTICLE VI.

INDEMNIFICATION

A. Indemnification. The corporation shall indemnify to the fullest extent not prohibited by law any Person who was or is a party or is threatened to be made a party to any Proceeding against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the Person in connection with such Proceeding. Notwithstanding the foregoing, the corporation shall not indemnify any Person from or on account of acts or omissions of such Person of a type for which liability could not be eliminated for a director under ORS 60.047(2)(d).

B. Advancement of Expenses. Expenses incurred by a Person in defending a Proceeding shall in all cases be paid by the corporation in advance of the final disposition of such Proceeding at the written request of such Person, if the Person:

621283-85

1. furnishes the corporation a written affirmation of the Person's good faith belief that such Person has met the standard of conduct described in the Oregon Business Corporation Act or is entitled to be indemnified by the corporation under any other indemnification rights granted by the corporation to such Person; and

2. furnishes the corporation a written undertaking to repay such advance to the extent it is ultimately determined by a court that such Person is not entitled to be indemnified by the corporation under this Article or under any other indemnification rights granted by the corporation to such Person.

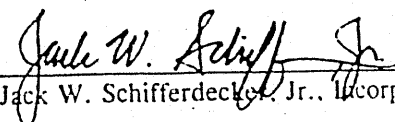
Such advances shall be made without regard to the Person's ability to repay such advances and without regard to the Person's ultimate entitlement to indemnification under this Article or otherwise.

C. Definition of "Proceeding" and "Person". The term "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether brought in the right of the corporation or otherwise and whether of a civil, criminal, administrative, or investigative nature, in which an individual may be or may have been involved as a party or otherwise by reason of the fact that the individual is or was a director or officer of the corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the corporation, or is or was serving at the request of the corporation as a director, officer, or fiduciary of an employee benefit plan of another corporation, partnership, joint venture, trust, or other enterprise, whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Article. The term "Person" means any individual serving in a capacity described in this Paragraph.

D. Non-Exclusivity and Continuity of Rights. This Article: (i) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, agreement, general or specific action of the board of directors, vote of stockholders or otherwise, both as to action in the official capacity of the Person indemnified and as to action in another capacity while holding office, (ii) shall continue as to a Person who has ceased to be a director or officer, (iii) shall inure to the benefit of the heirs, executors, and administrators of such Person, and (iv) shall extend to all claims for indemnification or advancement of expenses made after the adoption of this Article.

E. Amendments. Any repeal of this Article shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this Article in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Proceeding.

Date: March 2, 1998


Jack W. Schifferdecker, Jr., Incorporator



Phone (503) 378-4381
Fax (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

Check the appropriate box below:

For office use only

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,10,11)
☐ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5,6,7,8,9,10,11)

FILED

MAR 05 1998

OREGON
SECRETARY OF STATE

Registry Number 621283-85

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

1) NAMES OF THE CORPORATIONS PROPOSING TO MERGE

A. 1-800-RECONEX, Inc., an Oregon corporation # 621283-85

B. Sterling International Funding, Inc., a Nevada corporation # 541743-89

2) NAME OF THE SURVIVING CORPORATION 1-800-RECONEX, Inc., an Oregon corporation

☐ Check here if there is a name change in this plan of merger

3) A COPY OF THE MERGER PLAN IS ATTACHED.

4) CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

☒ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.

☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation A is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.

☒ Shareholder/membership approval was required. The vote was as follows:

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	25,000	25,000	0

If Corporation B is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

5) NAME OF PARENT CORPORATION

Oregon Registry Number

6) NAME OF SUBSIDIARY CORPORATION

Oregon Registry Number

7) NAME OF SURVIVING CORPORATION

8) COPY OF PLAN

☐ A copy of the plan of merger setting forth the manner and basis of converting shares of the subsidiary into shares, obligations, or other securities of the parent corporation or any other corporation or into cash or other property is attached.

9) CHECK THE APPROPRIATE BOX

☐ A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before _____, 19__.

☐ The mailing of a copy of the plan or summary was waived by all outstanding shares.

10) EXECUTION

Printed Name

Todd M. Meislahn

Signature

Title

President

11) CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

(503) 226-1191

FEES

Make check for \$10 payable to the "Corporation Division."

NOTE: Filing fees may be paid with VISA or Master Card. The card number and expiration date should be submitted on a separate sheet for your protection.

Samp
3/5

62/283-85

PLAN OF MERGER

Plan of Merger dated as of March 5, 1998 ("Plan of Merger") between Sterling International Funding, Inc., a Nevada corporation ("Sterling"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

TERMS AND CONDITIONS:

The Boards of Directors of Sterling and Reconex deem it advisable and in the best interests of Sterling and Reconex and in the best interests of the shareholders of Sterling and Reconex that Sterling be merged with and into Reconex (the "Merger").

NOW, THEREFORE, Sterling and Reconex hereby agree as follows:

I. Constituent Corporations.

A. Sterling is duly incorporated and validly existing under the laws of the state of Nevada and its principal place of business is P.O. Box 9, Hubbard, Oregon 97032.

B. Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is P.O. Box 9, Hubbard, Oregon 97032.

II. The Merger.

2.01 In accordance with Or. Rev. Stat. § 60.494 and Nevada Revised Statutes Chapter 78, the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit I hereto, together with this Plan of Merger annexed thereto are filed with the respective Secretary of State of the State of Oregon and the State of Nevada; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of Sterling and Reconex.

2.02 At the Effective Time, Sterling shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law and Nevada law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of Sterling shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and Sterling shall be a single corporation.

2.03 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of Sterling, all of the properties and assets of Sterling, and all of the debts, choses in action and other interest due or belonging to Sterling, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of Sterling, with the effect set forth in the Oregon Business Corporation Act and the Nevada Business Corporation Act.

621283-85

III. Articles of Incorporation, Bylaws and Board of Directors and Officers of Reconex.

3.01 The Articles of Incorporation of Reconex in effect immediately prior to the Effective Time shall be the Articles of Incorporation of Reconex after the Effective Time until amended in accordance with provisions of the Oregon Business Corporation Act.

3.02 The Bylaws of Reconex in effect immediately prior to the Effective Time shall be the Bylaws of Reconex after the Effective Time until amended thereafter as provided therein or in accordance with provisions of the Oregon Business Corporation Act.

3.03 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Conversion of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock having \$0.001 par value of Sterling shall be converted into the right to receive from Reconex 44.1176 fully paid, validly issued and nonaccessable shares of Reconex Common Stock and all shares of Sterling Common Stock shall be canceled without any further consideration being issued or paid therefore.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or Sterling, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

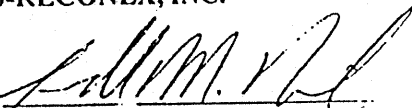
VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 and the Nevada Revised Statutes Chapter 78 shall be filed with the Secretary of State of the State of Oregon and the Secretary of State of the State of Nevada on such date as may be designated by the Boards of Directors of Reconex and Sterling.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

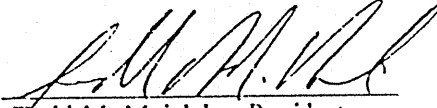
1-800-RECONEX, INC.

By:


Todd M. Meislahn, President

STERLING INTERNATIONAL FUNDING, INC.

By:


Todd M. Meislahn, President



Phone: (503) 986-2200

Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St NE, Suite 151
Salem, OR 97310-1327

Check the appropriate box below:

☐ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,10,11)

☒ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5,6,7,8,9,10,11)

ARTICLES OF MERGER

For office use only

FILED

MAY 01 1998

OREGON
SECRETARY OF STATE

Registry Number 62128385

Attach Additional Sheet if Necessary

Write Type or Print Legibly in Black Ink

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

NAMES OF THE CORPORATIONS PROPOSING TO MERGE

A. _____

B. _____

NAME OF THE SURVIVING CORPORATION _____

☐ Check here if there is a name change in this plan of merger

A COPY OF THE MERGER PLAN IS ATTACHED.

CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors

☐ Shareholder/membership approval was required. The vote was as follows

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation A is a nonprofit corporation

Class or series of shares	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors

☐ Shareholder/membership approval was required. The vote was as follows

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation B is a nonprofit corporation

Class or series of shares	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

NAME OF PARENT CORPORATION 1-800-RECONEX, Inc., an Oregon corporation

Oregon Registry Number 621283-85

NAME OF SUBSIDIARY CORPORATION Fast Connections, Inc., a Texas corporation

Oregon Registry Number _____

NAME OF SURVIVING CORPORATION 1-800-RECONEX, Inc

COPY OF PLAN

A copy of the plan of merger setting forth the manner and basis of converting shares of the subsidiary into shares of the parent corporation or any other corporation or into cash or other property is attached

CHECK THE APPROPRIATE BOX

A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before _____, 19__

The mailing of a copy of the plan or summary was waived by an outstanding shares _____

EXECUTION

Printed Name

Signature

Title

Todd M. Meislahn

President

CONTACT NAME

DAYTIME PHONE NUMBER

Brenda Welter, Paralegal

(503) 226-1191

FEES

Make check for \$175 payable to Corporation Division

NOTE: Filing fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for the protection of the cardholder.

John 5/1

621283-85

PLAN OF MERGER

Plan of Merger dated as of April 30, 1998 ("Plan of Merger") between Fast Connections, Inc., a Texas corporation ("FC"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

RECITALS:

- A. FC has authorized Stock consisting of 10,000 shares of Common Stock having \$0.10 par value, of which 1,517.714 shares are issued and outstanding.
- B. Reconex owns beneficially and of record 1,517.714 shares of the Common Stock of FC, representing 100 percent of the issued and outstanding common stock of FC.
- C. The Boards of Directors of FC and Reconex deem it advisable and in the best interests of FC and Reconex and in the best interests of the shareholders of FC and Reconex that FC be merged with and into Reconex (the "Merger").
- D. The Board of Directors of Reconex desires to accomplish the merger in accordance with the provisions of Or. Rev. Stat § 60.491.

TERMS AND CONDITIONS:

NOW, THEREFORE, FC and Reconex hereby agree as follows:

I. Constituent Corporations.

1.1 FC is duly incorporated and validly existing under the laws of the state of Texas and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

1.2 Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

II. The Merger.

2.1 In accordance with Or. Rev. Stat. § 60.494 and Texas Business Corporation Act, Article 5.16(B), the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit 1 hereto, together with this Plan of Merger annexed thereto are filed with the Secretary of State of the State of Oregon and the Secretary of State of the State of Texas; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of FC and Reconex.

2.2 At the Effective Time, FC shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of

621283-85

FC shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and FC shall be a single corporation.

2.3 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of FC, all of the properties and assets of FC, and all of the debts, choices in action and other interest due or belonging to FC, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of FC, with the effect set forth in the Oregon Business Corporation Act.

III. Articles of Incorporation, Bylaws and Board of Directors and Officers of Reconex.

3.1 The Articles of Incorporation of Reconex in effect immediately prior to the Effective Time shall be the Articles of Incorporation of Reconex after the Effective Time until amended in accordance with provisions of the Oregon Business Corporation Act.

3.2 The Bylaws of Reconex in effect immediately prior to the Effective Time shall be the Bylaws of Reconex after the Effective Time until amended thereafter as provided therein or in accordance with provisions of the Oregon Business Corporation Act.

3.3 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Cancellation of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock of FC shall be canceled without any consideration being issued or paid therefore.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or FC, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 and Texas Business Corporation Act, Article 5.16(B), shall be filed with the Secretary of State of the State of Oregon and the Secretary of state of the State of Texas on such date as may be designated by the Boards of Directors of Reconex and FC.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

1-800-RECONEX, INC.

By:

Todd M. Meislahn, President

FAST CONNECTIONS, INC.

By:

Todd M. Meislahn, President



Phone: (503) 986-2200

Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

Check the appropriate box below:

- ☐ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1.2.3.4.10.11)
- ☒ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5.6.7.8.9.10.11)

ARTICLES OF MERGER

For office use only

FILED

MAY 0 1 1998

OREGON
SECRETARY OF STATE

Registry Number: 621283-85

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

1) NAMES OF THE CORPORATIONS PROPOSING TO MERGE

A. _____

B. _____

2) NAME OF THE SURVIVING CORPORATION _____

☐ Check here if there is a name change in this plan of merger

3) A COPY OF THE MERGER PLAN IS ATTACHED.

4) CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors
- ☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation A is a nonprofit corporation

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors
- ☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation B is a nonprofit corporation

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

5) NAME OF PARENT CORPORATION 1-800-RECONEX, Inc.

Oregon Registry Number 621283-85

6) NAME OF SUBSIDIARY CORPORATION Ameritel Corporation

Oregon Registry Number 279014-87

7) NAME OF SURVIVING CORPORATION 1-800-RECONEX, Inc

8) COPY OF PLAN

☒ A copy of the plan of merger setting forth the manner and basis of converting shares of the subsidiary into shares, debt, and/or other securities of the parent corporation or any other corporation or into cash or other property is attached.

9) CHECK THE APPROPRIATE BOX

☐ A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before _____ 19____

☒ The mailing of a copy of the plan or summary was waived by all outstanding shares.

10) EXECUTION

Printed Name

Todd M. Meislahn

Signature

[Signature]

Title

President

11) CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

(503) 226-1191

FEES

Make check payable to:
Corporation Division

NOTE: Filing fees may be paid with VISA or Master Card. The card number and expiration date should be submitted on a separate sheet for your protection.

62/283-85

PLAN OF MERGER

Plan of Merger dated as of April 30, 1998 ("Plan of Merger") between Ameritel Corporation, an Oregon corporation ("Ameritel"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

RECITALS:

A. Ameritel has authorized Stock consisting of 1,000,000 shares of Common Stock having no par value, of which 1,000 shares are issued and outstanding.

B. Reconex owns beneficially and of record 1,000 shares of the Common Stock of Ameritel, representing 100 percent of the issued and outstanding common stock of Ameritel.

C. The Boards of Directors of Ameritel and Reconex deem it advisable and in the best interests of Ameritel and Reconex and in the best interests of the shareholders of Ameritel and Reconex that Ameritel be merged with and into Reconex (the "Merger").

D. The Board of Directors of Reconex desires to accomplish the merger in accordance with the provisions of Or. Rev. Stat § 60.491.

TERMS AND CONDITIONS:

NOW, THEREFORE, Ameritel and Reconex hereby agree as follows:

I. Constituent Corporations.

1.1 Ameritel is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

1.2 Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

II. The Merger.

2.1 In accordance with Or. Rev. Stat. § 60.494, the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit 1 hereto; together with this Plan of Merger annexed thereto are filed with the Secretary of State of the State of Oregon; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of Ameritel and Reconex.

2.2 At the Effective Time, Ameritel shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of Ameritel shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and Ameritel shall be a single corporation.

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2.3 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of Ameritel, all of the properties and assets of Ameritel, and all of the debts, choices in action and other interest due or belonging to Ameritel, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of Ameritel, with the effect set forth in the Oregon Business Corporation Act.

III. Articles of Incorporation, Bylaws and Board of Directors and Officers of Reconex.

3.1 The Articles of Incorporation of Reconex in effect immediately prior to the Effective Time shall be the Articles of Incorporation of Reconex after the Effective Time until amended in accordance with provisions of the Oregon Business Corporation Act.

3.2 The Bylaws of Reconex in effect immediately prior to the Effective Time shall be the Bylaws of Reconex after the Effective Time until amended thereafter as provided therein or in accordance with provisions of the Oregon Business Corporation Act.

3.3 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Cancellation of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock of Ameritel shall be canceled without any consideration being issued or paid therefore.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or Ameritel, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 shall be filed with the Secretary of State of the State of Oregon on such date as may be designated by the Boards of Directors of Reconex and Ameritel.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

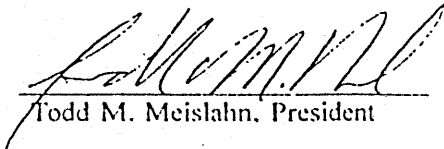
1-800-RECONEX, INC.

AMERITEL CORPORATION

By:


Todd M. Meislahn, President

By:


Todd M. Meislahn, President

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FILED

MAR 15 1999

OREGON
SECRETARY OF STATE

**CERTIFICATE ACCOMPANYING
AMENDMENT TO ARTICLES OF INCORPORATION
OF 1-800-RECONEX, INC.
DESIGNATING SERIES A PREFERRED STOCK**

Pursuant to ORS 60.447, 1-800-RECONEX, Inc. (the "Corporation") submits for filing this certificate, together with the Corporation's Amendment to its Articles of Incorporation (the "Amendment"). The Corporation hereby certifies that:

1. The name of the Corporation, prior to the filing of the attached Amendment is 1-800-RECONEX, Inc.
2. A copy of the Amendment is attached hereto.
3. The Amendment was adopted by a designation of the Board of Directors of the Corporation pursuant to ORS 60.134 and the Amendment does not require shareholder approval.
4. The date of adoption of the Amendment was March 6, 1998.

1-800-RECONEX, INC.

By: 

Todd M. Meislahn, President

Person to contact about this filing:

Jack W. Schifferdecker, Jr.
(503) 226-8614 (direct dial)

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CERTIFICATE ACCOMPANYING AMENDMENT TO ARTICLES
OF INCORPORATION OF 1-800-RECONEX, INC.

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**AMENDMENT TO ARTICLES OF INCORPORATION
OF 1-800-RECONEX, INC.
DESIGNATING SERIES A PREFERRED STOCK**

The Board of Directors of 1-800-RECONEX, Inc., an Oregon corporation ("Corporation"), under authority of Article II. B of the Corporation's Articles of Incorporation, and pursuant to an action of the Board of Directors authorizing the creation of shares of Series A Preferred Stock hereby establishes the preferences, limitations, conversion features and relative rights of the Series A Preferred Stock as follows:

1. Series Designation. The Corporation shall be authorized to issue 370,000 shares of Series A Preferred Stock, to be known as the ("Series A Preferred Stock").

2. Dividend Provisions.

2.1 The holders of the Series A Preferred Stock shall be entitled to receive dividends at the rate of \$0.14526 per share (i.e. 9% of the original issue price of \$1.614 for the Series A Preferred Stock) (as adjusted for any stock dividends, combinations or splits with respect to such shares) per annum payable out of funds legally available therefor. Dividends shall accrue on each share of Series A Preferred Stock from the date of issue of such share, and shall accrue from day to day, whether or not earned. Dividends on each share of Series A Preferred Stock shall accumulate from the date of issue of such share. Any accumulation of dividends on the Series A Preferred Stock shall not bear interest. Dividends on the Series A Preferred Stock shall be payable in cash and shall be due and payable quarterly in arrears on March 31, June 30, September 30 and December 31 each year; provided, however, that for the first 18 months following the date of issue of the Series A Preferred Stock, the Corporation shall have the option to (i) pay or defer payment of the dividends, and (ii) pay the dividends in cash or in shares of Series A Preferred Stock valued for purposes of the dividend payment at a price equal to the Liquidation Price as defined in Section 3.1 below.

2.2 No dividends (other than a dividend payable solely in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock) shall be paid on any Common Stock during any fiscal year until full dividends on the Series A Preferred Stock for all past dividend periods and the then current dividend period shall have been paid or declared and set apart during that fiscal year and any prior year in which dividends accumulated but remain unpaid.

2.3 No dividends shall be paid on or declared and set apart for any share of Common Stock unless a dividend (including the amount of any dividends required to be paid under Section 2.1 above) is paid with respect to all outstanding shares of Series A Preferred Stock equal to or greater than the aggregate amount of such dividends for all

shares of Common Stock into which each such share of Series A Preferred Stock could then be converted.

3. Liquidation Preference.

3.1 Preferred Stock. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) \$1.614 for each outstanding share of Series A Preferred Stock, and (ii) an amount equal to all accrued but unpaid dividends on such share, which sum shall be the "Liquidation Price." If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the Liquidation Price, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive, but in no event may such holder receive in excess of the preferential amount established for such series.

3.2 Common Stock. Upon the completion of the distributions of the Liquidation Price, and the completion of any requisite distributions to the holders of any other series or class of stock entitled to preference over the Common Stock in liquidation, the entire remaining assets and funds of the Corporation legally available for distribution, if any, shall be distributed among the holders of the Common Stock in proportion to the shares of Common Stock then held by them.

3.3 Treatment of Reorganizations, Consolidations, Mergers, and Sales of Assets. A reorganization, a consolidation or merger of the Corporation (other than for the sole purpose of reincorporating) or sale of all or substantially all of the assets of the Corporation shall be regarded as a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Section 3; provided, however, that, in any such event, each holder of Series A Preferred Stock shall have the right to elect the benefits of the provisions of Section 5 hereof in lieu of receiving payment pursuant to this Section 3.

3.4 Noncash Distributions. Whenever the distribution provided for in this Section 3 shall be payable in securities or property other than cash, the value of such distribution shall be the fair market value of such securities or other property as determined in good faith by the Board of Directors.

4. Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

4.1 Right to Convert. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such

share, at the office of the Corporation or any transfer agent for the Series A Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the \$1.614 by the Conversion Price (as defined in the following sentence) at the time in effect for such share. The price at which shares of Common Stock shall be issued upon conversion of shares of the Series A Preferred Stock (the "Conversion Price") shall initially be the \$1.614; provided, however, that the Conversion Price for the Series A Preferred Stock shall be subject to adjustment as set forth in Section 4.4.

4.2 Automatic Conversion. Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock at the then-effective Conversion Price immediately prior to the consummation of the Corporation's public sale of its Common Stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended (the "Securities Act") at a per share issue price equal to or greater than 150% of the Conversion Price then in effect (as adjusted for stock splits, stock dividends, combinations of shares or similar recapitalization events) and resulting in aggregate proceeds to the Corporation and/or any selling shareholders (before deduction for underwriter's discounts and expenses relating to the issuance, including without limitation fees of the Corporation's counsel) of at least \$10 million.

4.3 Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred Stock, and shall give written notice by mail, postage prepaid, to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering Series A Preferred Stock for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the closing of such sale of securities.

4.4 Adjustments to Conversion Price for Certain Diluting Issues.

4.4.1 Special Definitions. For purposes of this Section 4.4, the following definitions apply:

(a) "*Options*" shall mean rights, options, or warrants to subscribe for, purchase or otherwise acquire Common Stock, Series A Preferred Stock, or Convertible Securities (defined below).

(b) "*Original Issue Date*" shall mean the date on which a share of Series A Preferred Stock was first issued.

(c) "*Convertible Securities*" shall mean any evidences of indebtedness, shares (other than Common Stock and Series A Preferred Stock) or other securities convertible into or exchangeable for Common Stock.

(d) "*Additional Shares of Common Stock*" shall mean all shares of Common Stock issued (or, pursuant to Section 4.4.3, deemed to be issued) by the Corporation after the Original Issue Date, other than shares of Common Stock issued or issuable:

(i) upon conversion of shares of Series A Preferred Stock;

(ii) to officers, directors, or employees of, or consultants to, the corporation pursuant to stock option or stock purchase plans or agreements on terms approved by the Board of Directors, but not exceeding 416,667 shares of Common Stock (net of any repurchases of such shares or cancellations or expirations of options), subject to adjustment for all subdivisions and combinations;

(iii) as a dividend or distribution on Series A Preferred Stock;

(iv) upon exercise or conversion of outstanding options or warrants, respectively; or

(v) for which adjustment of the Series A Conversion Price is made pursuant to Section 5.

4.4.2 No Adjustment of Conversion Price. Any provision herein to the contrary notwithstanding, no adjustment in the Conversion Price shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share (determined pursuant to Section 4.4.5 hereof) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the Conversion Price in effect on the date of, and immediately prior to, such issue.

4.4.3 Deemed Issue of Additional Shares of Common Stock. In the event the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities then entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein designed to protect against dilution) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options for Convertible Securities or for Series A Preferred Stock, the conversion or exchange of such Convertible Securities or Series A Preferred Stock, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(a) no further adjustments in the Series A Conversion Price shall be made upon the subsequent issue of such Convertible Securities, or Series A Preferred Stock or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities or Series A Preferred Stock;

(b) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, or decrease or increase in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease become effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities (provided, however, that no such adjustment of the Conversion Price shall affect Common Stock previously issued upon conversion of the Series A Preferred Stock);

(c) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(i) in the case of Convertible Securities or Options for Common Stock the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which

were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange; and

(ii) in the case of Options for Convertible Securities or Series A Preferred Stock only the Convertible Securities or Series A Preferred Stock, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section 4.4) upon the issue of the Convertible Securities or Series A Preferred Stock with respect to such Options were actually exercised;

(d) no readjustment pursuant to clause 4.4.3(c)(i) or 4.4.3(c)(ii) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (a) Conversion Price on the original adjustment date, or (b) the Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date;

(e) in the case of any Options which expire by their terms not more than 30 days after the date of issue thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the same manner provided in clause 4.4.3(c) above.

4.4.4. Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation, at any time after the Original Issue Date shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 4.4.3) without consideration or for a consideration per share less than the Conversion Price in effect on the date of and immediately prior to such issue, then and in such event, the Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued. For the purpose of the above calculation, the number of shares of Common Stock outstanding immediately prior to such issue shall be calculated on a fully diluted basis, as if all shares of Series A Preferred Stock and all Convertible Securities had been fully converted into shares of Common Stock immediately prior to such issuance and any outstanding warrants, options or other rights for the purchase of shares of stock or convertible securities had been fully exercised immediately prior to such issuance (and the

resulting securities fully converted into shares of Common Stock, if so convertible) as of such date, but not including in such calculation any additional shares of Common Stock issuable with respect to shares of Series A Preferred Stock, Convertible Securities, or outstanding options, warrants or other rights for the purchase of shares of stock or convertible securities, solely as a result of the adjustment of the Conversion Price (or other conversion ratios) resulting from the issuance of the Additional Shares of Common Stock causing the adjustment in question.

4.4.5 Determination of Consideration. For purposes of this Section 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) *Cash and Property.* Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(ii) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses 4.4.5(a)(i) and 4.4.5(a)(ii) above, as determined in good faith by the Board of Directors.

(b) *Options and Convertible Securities.* The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4.4.3, relating to Options and Convertible Securities shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against dilution) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities or Series A Preferred Stock, the exercise of such Options for Convertible Securities or Series A Preferred Stock and the conversion or exchange of such Convertible Securities or Series A Preferred Stock by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against the dilution) issuable upon the exercise of such Options or conversion or exchange of such Convertible Securities.

4.5 Adjustments to Conversion Prices for Stock Dividends and for Combinations or Subdivisions of Common Stock. In the event that the Corporation at any time or from time to time after the Original Issue Date shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or in the event the outstanding shares of Common stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price for any series of Preferred Stock in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

4.6 Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series A Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.5 above or a merger or other reorganization referred to in Section 3.3 above), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series A Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series A Preferred Stock immediately before that change.

4.7 No Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Preferred Stock against impairment.

4.8 Certificates as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate executed by the Corporation's President or Chief Financial Officer setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Preferred Stock.

4.9 Notices of Record Date. In the event that the Corporation shall propose at any time: (i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus; (ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (iii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (iv) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; then, in connection with each such event, the Corporation shall send to the holders of Series A Preferred Stock (A) at least twenty (20) days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (iii) and (iv) above; and (B) in the case of the matters referred to in (iii) and (iv) above, at least twenty (20) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

4.10 Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred Stock pursuant hereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

4.11 Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not

be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate.

4.12 Fractional Shares. No fractional share shall be issued upon the conversion of any share or shares of Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors).

4.13 Notices. Any notice required by the provisions of this Section 4 to be given to the holders of shares of Series A Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, or if sent by facsimile or delivered personally by hand or by nationally recognized courier and addressed to each holder of record at such holder's address or facsimile number appearing in the records of the Corporation.

5. Capital Reorganization, Merger or Sale of Assets.

5.1 If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares provided for in Section 4) or a merger or consolidation of the Corporation with or into another corporation (other than for the sole purpose of reincorporating) or the sale of all or substantially all of the Corporation's properties and assets to any other person, then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such reorganization, merger, consolidation or sale, to which a holder of the same number of shares of Common Stock issuable to the holders of the Series A Preferred Stock upon conversion would have been entitled on such capital reorganization, merger, consolidation or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of the Series A Preferred Stock after the reorganization, merger, consolidation or sale to the end that the provisions of this Section 5 (including adjustment of the Conversion Price and the number of shares issuable upon conversion of the Series A Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be possible.

5.2 Each holder of Series A Preferred Stock, upon the occurrence of a capital reorganization, merger or consolidation of the Corporation, or the sale of all or substantially all the Corporation's assets and properties as such events are more fully set forth in Section 5.1, shall have the option of electing treatment of such holder's shares of Series A Preferred Stock under either Sections 4 and 5.1 or under Section 3 hereof, notice of which election shall be submitted in writing to the Corporation at its principal offices no later than twenty (20) days before the effective date of such sale.

5.3 The provisions of this Section 5 are in addition to the protective provisions of Section 7 hereof.

6. Voting Rights. The holder of each share of Series A Preferred Stock shall have the right to one vote for each whole share of Common Stock into which such share of Series A Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting of the Corporation, and shall vote, together with holders of Common Stock as one voting group and one class with respect to any question upon which holders of Common Stock have the right to vote, except as otherwise provided in Section 7.1 below and unless the Oregon Business Corporation Act requires the holders of Series A Preferred Stock to vote as separate voting groups on any such matter submitted to the shareholders for a vote, and subject always to the provisions of any valid and effective voting agreement between the shareholders of the Corporation.

7. Protective Provisions.

7.1 Actions Requiring Approval of Series A Preferred Stock, Voting as a Separate Voting Group. So long as not less than 75,000 shares of Series A Preferred Stock are outstanding (as adjusted for any stock dividends, combinations or splits with respect to such shares), the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock:

7.1.1 Increase the authorized number of shares of Series A Preferred Stock; or

7.1.2 Create any new class or series of stock or any other securities convertible into equity securities of the Corporation having a preference over, or being on a parity with, the Series A Preferred Stock with respect to voting, dividends or upon liquidation.

7.1.3 Effect any sale, lease, assignment, transfer, or other conveyance of all or substantially all of the assets or stock of the Corporation or any of its subsidiaries,

621283-85

or any consolidation or merger involving the Corporation or any of its subsidiaries, or any reclassification or other change of stock, or any recapitalization of the Corporation;

7.1.4 Amend its Articles of Incorporation or Bylaws, except any amendment which would not materially alter or effect the rights of the holders of the Series A Preferred Stock; or

7.1.5 Liquidate, dissolve or wind up the affairs of the Corporation.

8. No Reissuance of Series A Preferred Stock. No share or shares of Series A Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion, or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

9. Residual Rights of Common Stock. Upon the authorization and issuance of the Series A Preferred Stock, the Common Stock of the Corporation shall, subject to the rights, if any, of the holders of any class or series of stock of Corporation from time to time issued and outstanding, have the following rights:

9.1 Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, including without limitation the rights of the holders of Series A Preferred Stock to be paid any accrued but unpaid dividends with respect to such stock, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

9.2 Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed as provided in Section 3.

9.3 Voting Rights. The holders of shares of Common Stock shall have the right to one vote for each share of Common Stock issued and outstanding, and shall be entitled to notice of any shareholders' meeting of the Corporation, and shall be entitled to vote upon all matters submitted to the shareholders of the Corporation for a vote.



Phone: (503) 986-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

ARTICLES/CERTIFICATE OF CORRECTION—ALL ENTITIES

04/12/99 12:13PM 00647085 For office use only
CHECK \$10.00

FILED

APR 12 1999

OREGON
SECRETARY OF STATE

Registry Number: 621283-85

Attach Additional Sheet if Necessary ✓
Please Type or Print Legibly in Black Ink

1) NAME OF ENTITY 1-800-RECONEX, INC.

Note: The Change of Registered Agent or Office form must be used to change the registered agent

2) DOCUMENT DESCRIPTION (Describe the document to be corrected, including the date on which it was filed, or attach a copy of the document to be corrected)

Articles of Merger and Plan of Merger filed with the Oregon Secretary of State May 1, 1998 between
1-800-RECONEX, Inc. and Ameritel Corporation (inactive)

3) INCORRECT STATEMENT (Describe the incorrect statement and indicate the reason it is incorrect)

The Plan of Merger incorrectly states the merger was a parent/subsidiary merger, when in fact, it was a
merger of non-related corporations.

4) CORRECTION (The incorrect statement is corrected to read as follows. Attach additional sheets if necessary)

New forms of Articles of Merger and Plan of Merger reflecting the proper relationship between the merging
corporations are attached hereto as Exhibit A.

5) EXECUTION

Signature [Signature]

Printed Name Todd Meislahn

Title President

Date March, 1999

FEES

Make check for \$10 payable to
"Corporation Division"

NOTE: Filing fees may be paid with
VISA or Master Card. The card
number and expiration date should
be submitted on a separate sheet
for your protection

6) CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

503-226-1191



Phone: (503) 986-2200
Fax: (503) 378-4381

ARTICLES OF MERGER

Secretary of State
Corporation Division

255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

Check the appropriate box below:

For office use only

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,10,11)
☐ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5,6,7,8,9,10,11)

Registry Number: _____

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

- 1) NAMES OF THE CORPORATIONS PROPOSING TO MERGE
 - A. 1-800-RECONEX, Inc., an Oregon corporation
 - B. Ameritel Corporation, an Oregon corporation
- 2) NAME OF THE SURVIVING CORPORATION 1-800-RECONEX, Inc., an Oregon corporation
☐ Check here if there is a name change in this plan of merger
- 3) A COPY OF THE MERGER PLAN IS ATTACHED.
- 4) CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors
☒ Shareholder/membership approval was required. The vote was as follows

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	1	1	0

If Corporation A is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors
☒ Shareholder/membership approval was required. The vote was as follows

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	1,000	1,000	0

If Corporation B is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

- 5) NAME OF PARENT CORPORATION _____
Oregon Registry Number _____
- 6) NAME OF SUBSIDIARY CORPORATION _____
Oregon Registry Number _____
- 7) NAME OF SURVIVING CORPORATION _____
- 8) COPY OF PLAN
☐ A copy of the plan of merger setting forth the manner and basis of converting shares of the subsidiary into shares, obligations, or other securities of the parent corporation or any other corporation or into cash or other property is attached.
- 9) CHECK THE APPROPRIATE BOX
☐ A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before _____ 19____.
☐ The mailing of a copy of the plan or summary was waived by all outstanding shares.
- 10) EXECUTION
Printed Name Todd Meislahn Signature [Signature] Title President

- 11) CONTACT NAME Brenda Welter, Paralegal DAYTIME PHONE NUMBER (503) 226-1191

FEES

Make check for \$10 payable to
Corporation Division

NOTE: Filing fees may be paid
with VISA or Master Card.
The card number and
expiration date should be
submitted on a separate sheet
for your protection.

EXHIBIT A PLAN OF MERGER

Plan of Merger dated as of April 30, 1998 ("Plan of Merger") between Ameritel Corporation, an Oregon corporation ("Ameritel"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

TERMS AND CONDITIONS:

The Boards of Directors of Ameritel and Reconex deem it advisable and in the best interests of Ameritel and Reconex and in the best interests of the shareholders of Ameritel and Reconex that Ameritel be merged with and into Reconex (the "Merger").

NOW, THEREFORE, Ameritel and Reconex hereby agree as follows:

I. Constituent Corporations.

1.1 Ameritel is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

1.2 Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

II. The Merger.

2.1 In accordance with Or. Rev. Stat. § 60.494, the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit 1 hereto, together with this Plan of Merger annexed thereto are filed with the Secretary of State of the State of Oregon; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of Ameritel and Reconex.

2.2 At the Effective Time, Ameritel shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of Ameritel shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and Ameritel shall be a single corporation.

2.3 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of Ameritel, all of the properties and assets of Ameritel, and all of the debts, choices in action, and other interest due or belonging to Ameritel, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of Ameritel, with the effect set forth in the Oregon Business Corporation Act.

III. Articles of Incorporation

Directors and Officers of Reconex.

3.1 The Articles of Incorporation shall be the Articles of Incorporation with provisions of the Oregon Business Corporation Act in effect immediately prior to the Effective Time

shall be the Articles of Incorporation with provisions of the Oregon Business Corporation Act in effect immediately prior to the Effective Time until amended in accordance

3.2 The Bylaws of Reconex in effect after the Effective Time shall be the Bylaws of Reconex after the Effective Time in accordance with provisions of the Oregon Business Corporation Act as provided therein or in

the Effective Time shall be the Bylaws of Reconex after the Effective Time as provided therein or in

3.3 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Conversion of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock of Ameritel shall be converted into the right to receive from Reconex 1,397.059 fully paid, validly issued and nonaccessable shares of Reconex Common Stock and all shares of Ameritel Common Stock shall be canceled without any further consideration being issued or paid therefore.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or Ameritel, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 shall be filed with the Secretary of State of the State of Oregon on such date as may be designated by the Boards of Directors of Reconex and Ameritel.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

1-800-RECONEX, INC.

AMERITEL CORPORATION

By: Todd Meislahn

Todd Meislahn, President

By: Todd Meislahn

Todd Meislahn, President



Phone: (503) 986-2200

Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

ARTICLES/CERTIFICATE OF CORRECTION—ALL ENTITIES

04/12/99 12:34 PM 000#7786
CHECK For office use only \$10.00

FILED

APR 12 1999

OREGON
SECRETARY OF STATE

Registry Number: 621283-85

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

1) NAME OF ENTITY 1-800-RECONEX, INC.

Note: The Change of Registered Agent or Office form must be used to change the registered agent

2) DOCUMENT DESCRIPTION (Describe the document to be corrected, including the date on which it was filed or attach a copy of the document to be corrected)

Articles of Merger and Plan of Merger filed with the Oregon Secretary of State May 1, 1998 between
1-800-RECONEX, Inc. and Fast Connections, Inc., a Texas corporation

3) INCORRECT STATEMENT (Describe the incorrect statement and indicate the reason it is incorrect)

The Plan of Merger incorrectly states the merger was a parent/subsidiary merger, when in fact, it was a
merger of non-related corporations.

4) CORRECTION (The incorrect statement is corrected to read as follows. Attach additional sheets if necessary)

New forms of Articles of Merger and Plan of Merger reflecting the proper relationship between the merging
corporations are attached hereto as Exhibit A.

5) EXECUTION

Signature

Printed Name Todd Meislahn

Title President

Date March, 1999

6) CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

503-226-1191

FEES

Make check for \$10 payable to
"Corporation Division"

NOTE: Filing fees may be paid with
VISA or Master Card. The card
number and expiration date should
be submitted on a separate sheet
for your protection.



PHONE: (503) 800-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

ARTICLES OF MERGER

For office use only

Check the appropriate box below:

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,10,11)
☐ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5,6,7,8,9,10,11)

Registry Number: _____

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

- 1) NAMES OF THE CORPORATIONS PROPOSING TO MERGE
A. 1-800-RECONEX, Inc., an Oregon corporation
B. Fast Connections, Inc., a Texas corporation
- 2) NAME OF THE SURVIVING CORPORATION 1-800-RECONEX, Inc., an Oregon corporation
☐ Check here if there is a name change in this plan of merger
- 3) A COPY OF THE MERGER PLAN IS ATTACHED.
- 4) CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
- ☒ Shareholder/membership approval was required. The vote was as follows:

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	1	1	0

If Corporation A is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
- ☒ Shareholder/membership approval was required. The vote was as follows:

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	1,858.6	1,858.6	0

If Corporation B is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

NAME OF PARENT CORPORATION _____

Oregon Registry Number _____

NAME OF SUBSIDIARY CORPORATION _____

Oregon Registry Number _____

NAME OF SURVIVING CORPORATION _____

COPY OF PLAN

A copy of the plan of merger setting forth the manner and basis of converting shares of the subsidiary into shares, obligations, or other securities of the parent corporation or any other corporation or into cash or other property is attached.

CHECK THE APPROPRIATE BOX

A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before _____ 19__.

The mailing of a copy of the plan or summary was waived by all outstanding shares.

EXECUTION

Printed Name

Todd Meislahn

Signature

Title

President

CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

(503) 226-1191

FEES

Make check for \$10 payable to
"Corporation Division"

NOTE: Filing fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

PLAN OF MERGER

Plan of Merger dated as of April 30, 1998 ("Plan of Merger") between Fast Connections, Inc., a Texas corporation ("FC"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

TERMS AND CONDITIONS:

The Boards of Directors of FC and Reconex deem it advisable and in the best interests of FC and Reconex and in the best interests of the shareholders of FC and Reconex that FC be merged with and into Reconex (the "Merger").

NOW, THEREFORE, FC and Reconex hereby agree as follows:

I. Constituent Corporations.

1.1 FC is duly incorporated and validly existing under the laws of the state of Texas and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

1.2 Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

II. The Merger.

2.1 In accordance with Or. Rev. Stat. § 60.494 and Texas Business Corporation Act, Article 5.04, the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit 1 hereto, together with this Plan of Merger annexed thereto are filed with the Secretary of State of the State of Oregon and the Secretary of State of the State of Texas; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of FC and Reconex.

2.2 At the Effective Time, FC shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of FC shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and FC shall be a single corporation.

2.3 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of FC, all of the properties and assets of FC, and all of the debts, choices in action and other interest due or belonging to FC, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of FC, with the effect set forth in the Oregon Business Corporation Act.

III. Articles of Incorporation, Bylaws and Board of Directors and Officers of Reconex.

3.1 The Articles of Incorporation of Reconex in effect immediately prior to the Effective Time shall be the Articles of Incorporation of Reconex after the Effective Time until amended in accordance with provisions of the Oregon Business Corporation Act.

3.2 The Bylaws of Reconex in effect immediately prior to the Effective Time shall be the Bylaws of Reconex after the Effective Time until amended thereafter as provided therein or in accordance with provisions of the Oregon Business Corporation Act.

3.3 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Conversion of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock of FC shall be converted into the right to receive from Reconex 619.51297 fully paid, validly issued and nonaccessible shares of Reconex Common Stock and all shares of FC Common Stock shall be canceled without any further consideration being issued or paid therefore.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or FC, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 and Texas Business Corporation Act, Article 5.04, shall be filed with the Secretary of State of the State of Oregon and the Secretary of state of the State of Texas on such date as may be designated by the Boards of Directors of Reconex and FC.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

1-800-RECONEX, INC.

FAST CONNECTIONS, INC.

By: 

Todd Meislahn, President

By: 

Todd Meislahn, President



Phone: (503) 988-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

ARTICLES OF AMENDMENT—BUSINESS/PROFESSIONAL/NONPROFIT

Check the appropriate box below:

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,6,7)
☐ NONPROFIT CORPORATION
(Complete only 1,2,3,5,6,7)

FILED

AUG 14 2000
OREGON
SECRETARY OF STATE

Registry Number: 621283-85

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

1) NAME OF CORPORATION PRIOR TO AMENDMENT 1-800-RECONEX, Inc.

2) STATE THE ARTICLE NUMBER(S) AND SET FORTH THE ARTICLE(S) AS IT IS AMENDED TO READ. (Attach a separate sheet if necessary)

See Exhibit A attached hereto

3) THE AMENDMENT WAS ADOPTED ON: August 14, 2000
(If more than one amendment was adopted, identify the date of adoption of each amendment)

BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

- ☒ Shareholder action was required to adopt the amendment(s).
The vote was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common Series A Pref.	3,556,421 309,756	3,556,421 309,756	3,556,421 309,756	0 0

- ☐ Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the board of directors without shareholder action.
☐ The corporation has not issued any shares of stock. Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the incorporators or by the board of directors.

NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

- ☐ Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.
☐ Membership approval was required. The membership vote was as follows:

Classes entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

6) EXECUTION
Printed Name William E. Braun

Signature [Signature]

Title Vice President/General Counsel

7) CONTACT NAME William E. Braun

DAYTIME PHONE NUMBER (503) 982-5573

FEES

Make check for \$10 payable to "Corporation Division."

NOTE: Filing fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

621283-85

EXHIBIT A

SECOND AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
1-800-RECONEX, INC.

Article II, Section A, of the Articles of Incorporation is hereby amended, in its entirety, as follows:

ARTICLE II.

STOCK

A. The aggregate number of shares which the corporation shall have the authority to issue shall consist of 15,000,000 shares of common stock ("Common Stock"), \$0.01 par value and 1,000,000 shares of preferred stock ("Preferred Stock"), \$0.01 par value.

EXHIBIT
“C”

Secretary of State

Corporations Section

1000 K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

DATE: 04/22/98
REQUEST NUMBER: 3498-1842
TELEPHONE CONTACT: (615) 741-0537
FILE DATE/TIME: 04/14/98 1104
EFFECTIVE DATE/TIME: 04/14/98 1104
CONTROL NUMBER: 0349476

TO:
1-800-RECONEX, INC.
2500 INDUSTRIAL AVE
HUBBARD, OR 97032

RE:
1-800-RECONEX, INC.
APPLICATION FOR CERTIFICATE OF AUTHORITY -
FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -
FOR PROFIT

ON DATE: 04/16/98

FROM:
STERLING INT'L FUNDING, INC.
P.O. BOX 5607

PORTLAND, OR 97228-5607

RECEIVED: FEES \$500.00 \$300.00
TOTAL PAYMENT RECEIVED: \$800.00

RECEIPT NUMBER: 00002292665
ACCOUNT NUMBER: 00262772



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

FILED

1-800-RECONEX, Inc.

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is 1-800-RECONEX, Inc.

If different, the name under which the certificate of authority is to be obtained is _____

[NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).]

2. The state or country under whose law it is incorporated is Oregon

3. The date of its incorporation is March 5, 1998 (must be month, day, and year), and the period of duration, if other than perpetual, is _____

4. The complete street address (including zip code) of its principal office is _____

2500 Industrial Avenue, Hubbard, Oregon 97032

Street	City	State/Country	Zip Code
--------	------	---------------	----------

5. The complete street address (including the county and the zip code) of its registered office in this state is _____

C/O C T Corporation System, 530 Gay Street, Knoxville, Tennessee, County of Knox

Street	City/State	County	Zip Code
--------	------------	--------	----------

The name of its registered agent at that office is _____

C T Corporation System

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

Todd M. Meislahn, 2500 Industrial Avenue, Hubbard, Oregon 97032, President

James Wheeler, 2500 Industrial Avenue, Hubbard, Oregon 97032, Vice President

Joseph Brandes, 2500 Industrial Avenue, Hubbard, Oregon 97032, Vice President

William E. Braun, 2500 Industrial Avenue, Hubbard, Oregon 97032, Secretary

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

Todd M. Meislahn, 2500 Industrial Avenue, Hubbard, Oregon 97032

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is N/A, 19____ (date), _____ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.]

4/1/98
Signature Date

Secretary

Signer's Capacity

1-800-RECONEX, Inc.

Name of Corporation

William E. Braun
Signature

William E. Braun
Name (typed or printed)



SS-4431 (Rev. 7/93)

EXHIBIT
“D”

Officers and Directors
1-800-RECONEX, Inc.

NAME	TITLE	ADDRESS
Dave Griffie	President/Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Ian Irwin	Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Todd M. Meislahn	Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Dan Patterson	Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Pete Stein	Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Joseph Brandes	Vice President	2500 Industrial Avenue, Hubbard, Oregon 97032
William E. Braun	Corporate Secretary	2500 Industrial Avenue, Hubbard, Oregon 97032

EXHIBIT
“E”

Key Management Resumes
1-800-RECONEX, Inc.

Dave Griffie: President & CEO

Mr. Griffie joined 1-800-RECONEX in 2000. Mr. Griffie co-founded U.S. Digitel, Inc., in 1997 and held the position of President from 1997 to 2000 when the company was sold. He installed and networked eight NACT digital switches whose combined capacity totaled 10,752 voice ports and grew the company to \$80,000,000.00 in annualized revenue. From 1996 to 1997, Mr. Griffie was Vice President of Operations for Total World Telecom, Inc., where his group installed, networked and made operational, four digital switches, bringing the network total to nine switches. In early 1997 Total World Telecom, Inc., aggressively entered into the debit card business and Mr. Griffie's group installed and activated two CPDI debit card platforms, each providing over eighty DS1's of capacity. From 1990 to 1996, Mr. Griffie was the Executive Vice President and Chief Operating Officer for Call America/Uni-Net, Inc. From January 1990 to September 1993 revenues were increased by 400%, cost of sales were lowered to provide a 40% gross margin while attrition and bad debt were reduced to below 2%. From 1986 to 1989 Mr. Griffie was the Vice President of Operations for Tele-Fibernet Corporation. During his tenure at Tele-Fibernet, he converted their network from two analog switches to four networked digital switches and built an East Coast network from Florida to Massachusetts and extended that network west into over 70 metropolitan areas. In 1988 Mr. Griffie's group installed an Operator Service Center that employed over 200 operators on 32 operator positions. From 1969 to 1986 Mr. Griffie worked for Indiana Bell/Southwestern Bell where he received technical and management training that constituted over one hundred weeks of intensive classroom and laboratory training. Mr. Griffie attended Indiana University and Purdue University.

Joe Brandes: Senior Vice President

Mr. Brandes joined 1-800-RECONEX in 1996. From 1990 to 1996 he was President of ProVision, Inc., a consumer products company manufacturing, marketing, and distributing golf products internationally. From 1987 to 1990, Mr. Brandes was Vice President of Marketing for O'Callahan's Restaurants, Inc., a \$9M multiple unit food and beverage operation. From 1978 to 1987, Mr. Brandes was Director of Marketing Operations and Distribution for Floating Point Systems, a \$150M scientific computer company. From 1972 to 1978 he served as controller for several business units including Wood Products, Heavy Equipment Manufacturing, and Retail Home Improvement with Columbia Corporation, a diversified \$175M company. Mr. Brandes holds a BS in Finance from the University of Oregon and an MBA from the University of Portland.

William E. Braun: Vice President/General Counsel

Mr. Braun joined 1-800-RECONEX in 1997. Mr. Braun is an attorney licensed to practice in the states of Oregon and California. As an attorney for the past 16 years, he has served in a litigation and advisory capacity for private firms, corporations and governmental entities. Mr. Braun holds a BA in Political Science from California State University, Long Beach and JD from Northwestern School of Law of Lewis and Clark College. He is a member of the American Bar Association, the Oregon Bar Association and the California Bar Association.

William R. Conner: Vice President of Information Technology

Mr. Conner joined 1-800-RECONEX in July 2000 with over 27 years experience in the telecommunications and information technology field. Prior to joining 1-800-RECONEX, Mr. Conner served as the Strategic Manager for a \$1.5B international telecommunication consulting firm. Mr. Conner has also lead the quality control process for Wang Communications, a subsidiary of Wang Laboratories; served as the Chief Architect for the renovation of all technology at PNG, a major energy company in Pennsylvania; and served as the Senior Manager of Engineering for a major division of MCI in Washington D.C. Mr. Conner holds a BS in Electrical Engineering and served ten years in the U.S. Marine Corps.

EXHIBIT
“F”

Total Company Income Statement Trend Report

Revenue

Installation Fees	\$ 2,148,588	\$ 857,171	\$ 1,266,750	\$ 135,092	\$ 91,670	\$ 75,537	\$ 64,356	\$ 366,655
Reconnect Fees	1,698,145	1,524,432	1,601,077	161,981	175,371	187,228	187,098	711,678
Recurring Billings	15,428,776	9,898,856	11,397,769	1,058,180	1,175,044	1,198,178	1,195,509	4,626,911
Options	1,344,195	558,061	1,006,779	80,439	89,669	91,280	92,441	353,829
Uncollected Advance Billings and Other	(17,773)	(918,865)	(1,012,177)	(152,165)	(216,965)	(184,225)	(210,299)	(763,654)

Total Revenue

Direct Cost of Sales

Total Direct Cost of Sales

Gross Profit

GM%

Indirect Cost of Sales

Wages Salaries PT Tax and Benefits	4,560,270	3,677,670	3,742,199	330,846	310,903	312,372	327,654	1,281,775
Employee Relations	41,752	25,646	6,644	540	943	1,061	381	2,925
Contract Labor	520,331	184,766	14,903	804	578	2,616	5,630	9,628
Advertising and Marketing	789,103	173,172	663,430	82,728	101,573	99,732	102,144	386,177
Promotion	119,997	46,459	133,919	12,909	14,611	14,475	10,541	52,536
Telecommunications	1,049,894	356,762	454,056	46,219	48,676	43,734	42,682	181,311
Postage	116,909	66,703	106,530	12,263	11,492	11,110	15,971	50,836
Bank Charges	19,019	18,183	25,609	3,224	1,354	1,351	1,806	7,735

Total Indirect Costs

Gross Profit (Loss) after Indirect

Gross Profit As a % of Sales

Indirect (Variable) Costs as a % of Sales

Salaries as % of Revenue

Operating Costs

Professional Services	449,993	433,974	283,785	30,749	26,368	28,150	22,275	107,542
Education and Seminars	25,540	4,112	6,136	251	199	797	179	1,426
Recruiting	71,976	42,841	10,996	259	1,113	584	565	2,521
Travel and Entertainment	94,206	40,878	20,206	6	4,751	2,798	6,533	14,088
Meals	8,759	5,047	4,159	127	1,657	1,416	1,232	4,432
Auto Expenses	23,158	14,837	4,350	99	167	451	(188)	529
Delivery Charges	43,163	11,969	10,077	236	356	544	328	1,464
Office Supplies	45,083	15,165	13,787	1,334	443	612	1,037	3,426
Printing	35,902	41,661	58,901	797	1,925	2,843	3,148	8,713
Equipment Expenses	70,268	76,623	90,233	7,550	7,075	11,567	11,113	37,305
Rent	321,792	180,000	180,000	15,000	15,000	15,000	15,000	60,000
Building Utilities/Maintenance	77,509	59,230	62,931	5,515	6,246	5,344	5,300	22,405
Insurance	59,997	51,018	20,881	1,220	1,220	2,820	1,220	6,480
Subscriptions	20,108	16,669	12,313	1,578	1,578	1,663	1,577	6,396
Licenses & Fees	72,074	22,793	19,187	1,006	952	873	3,236	6,067
Taxes, Misc.	2,597	21,280	32,792	2,746	2,794	2,785	3,171	11,496
Charitable Contributions	1,811	625	-	-	-	-	-	-

Total Operating Costs

Net Income (Loss) (EBITDA)

Misc. Income (Loss)

Interest Expense	248,145	522,993	606,006	22,636	26,084	25,869	26,625	101,214
Depreciation/Amortization	752,634	754,250	1,265,194	30,750	30,736	29,952	29,719	121,157
State Income Taxes	355	425	-	-	-	-	-	-
Profit Sharing	80,644	240	-	-	-	-	-	-
Loss on Sale of Fixed Assets	15,713	-	453	-	-	-	-	-

Net Income (Loss)

	2002 Actual							
	FY 1999	FY 2000	FY 2001	31-Jan-02	28-Feb-02	31-Mar-02	30-Apr-02	YTD 2002
Total Revenue	20,601,931	11,919,655	14,260,198	1,283,527	1,314,789	1,367,998	1,329,105	5,295,419
Total Direct Cost of Sales	10,285,583	6,553,848	7,724,655	626,610	598,759	595,125	606,639	2,427,133
Gross Profit	10,316,348	5,365,807	6,535,543	656,917	716,030	772,873	722,466	2,868,286
GM%	50%	45%	46%	51%	54%	56%	54%	54%
Total Indirect Costs	7,217,274	4,549,361	5,147,290	489,533	490,130	486,451	506,809	1,972,923
Gross Profit (Loss) after Indirect	3,099,074	816,446	1,388,253	167,384	225,900	286,422	215,657	895,363
Gross Profit As a % of Sales	15%	7%	10%	13%	17%	21%	16%	17%
Indirect (Variable) Costs as a % of Sales	35%	38%	36%	38%	37%	36%	38%	37%
Salaries as % of Revenue	24.9%	32.6%	26.4%	25.9%	23.8%	23.1%	25.1%	24.4%
Total Operating Costs	1,423,935	1,038,722	830,734	68,473	71,844	78,247	75,726	294,290
Net Income (Loss) (EBITDA)	1,675,139	(222,276)	557,519	98,911	154,056	208,175	139,931	601,073
Misc. Income (Loss)	276,321	471,604	651,019	351,778	103,338	100,229	104,870	660,215
Interest Expense	248,145	522,993	606,006	22,636	26,084	25,869	26,625	101,214
Depreciation/Amortization	752,634	754,250	1,265,194	30,750	30,736	29,952	29,719	121,157
State Income Taxes	355	425	-	-	-	-	-	-
Profit Sharing	80,644	240	-	-	-	-	-	-
Loss on Sale of Fixed Assets	15,713	-	453	-	-	-	-	-
Net Income (Loss)	\$ 853,970	\$ (1,028,579)	\$ (663,115)	\$ 397,303	\$ 200,574	\$ 252,583	\$ 188,457	\$ 1,038,917

Total Company Balance Sheet - Trend

ASSETS

Current Assets:

Cash & cash equivalents (Ex Money Market)
 Money Market Account
 Accounts Receivable
 Officer Receivable
 Other Receivables
 Prepaids and other current assets
 Total current assets

	31-Dec-99	31-Dec-00	31-Dec-01	31-Jan-02	28-Feb-02	31-Mar-02	30-Apr-02
\$	(407,441)	\$ (255,280)	\$ (219,543)	\$ (4,919)	\$ (69,598)	\$ 122,109	\$ 207,638
	-	205,266	381,561	582,186	582,846	683,620	984,535
	52,571	41,166	56,001	74,281	86,202	65,245	65,762
	590,598	196,703	206,457	207,270	208,082	208,895	209,708
	10,967	122,434	155,624	83,342	242,628	168,002	174,202
	102,778	117,651	182,992	202,455	208,402	196,551	197,847
	349,474	427,939	763,092	1,144,615	1,258,562	1,444,422	1,839,692
	1,382,590	1,290,401	669,607	638,856	608,120	601,756	574,562
	578,657	405,060	-	-	-	-	-
\$	2,310,721	\$ 2,123,400	\$ 1,432,699	\$ 1,783,471	\$ 1,866,682	\$ 2,046,178	\$ 2,414,254

Property, plant and equipment (net)
 Intangibles and other noncurrent assets (net)
 Total Assets

LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities

Accounts Payable
 Accrued Payroll Liabilities
 Accrued Expenses
 Customer Deposits
 Dividends Payable
 Deferred Revenue
 Total current Liabilities

\$	4,518,698	\$ 1,938,106	\$ 1,828,810	\$ 1,664,780	\$ 1,683,820	\$ 1,386,300	\$ 1,559,884
	237,200	291,357	220,062	215,740	202,700	204,358	214,097
	544,299	503,650	497,853	640,201	690,543	930,556	945,421
	9,536	7,360	15,609	14,718	16,528	15,497	13,203
	35,625	-	-	-	-	-	-
	-	-	-	-	-	-	-
	5,345,359	2,740,473	2,562,334	2,535,439	2,593,591	2,536,711	2,732,605
	2,057,712	3,741,083	3,891,637	3,872,001	3,696,486	3,680,279	3,664,004
	7,403,071	6,481,556	6,453,971	6,407,440	6,290,077	6,216,990	6,396,609

Long-term debt and capital lease obligations
 Total liabilities

Shareholder's equity

Capital Stock
 Additional Paid In Capital
 Dividends declared
 Retained Earnings - 2002
 Retained Earnings - 2001
 Retained Earnings - 2000
 Retained Earnings - Prior Years

	37,499	91,106	98,268	98,268	98,268	98,268	98,268
	874,166	2,547,709	2,540,547	2,540,547	2,540,547	2,540,547	2,540,547
	(35,625)	-	-	-	-	-	-
	-	-	-	397,303	597,877	850,459	1,038,917
	-	-	(663,116)	(663,116)	(663,116)	(663,116)	(663,116)
	-	(1,028,581)	(1,028,581)	(1,028,581)	(1,028,581)	(1,028,581)	(1,028,581)
	(5,968,390)	(5,968,390)	(5,968,390)	(5,968,390)	(5,968,390)	(5,968,390)	(5,968,390)
	(5,092,350)	(4,358,155)	(5,021,272)	(4,623,969)	(4,423,395)	(4,170,813)	(3,982,355)
	2,310,721	2,123,401	1,432,699	1,783,471	1,866,682	2,046,178	2,414,254

Total shareholder's equity

Total liabilities and shareholder's equity

EXHIBIT
“G”

1-800-RECONEX, INC.

**SMALL AND MINORITY-OWNED
TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN**

Pursuant to T.C.A. 65-5-212, as amended, 1-800-RECONEX, Inc. ("Reconex") submits this small and minority-owned Telecommunications Business Participation Plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate interexchange and local exchange services in Tennessee.

I. PURPOSE

The purpose of Section 65-5-212 is to provide opportunities for small and minority-owned business to provide goods and services to Telecommunications service providers. Reconex is committed to the goals of Section 65-5-212 and to taking steps to support the participation of small and minority-owned Telecommunications business in the Telecommunications industry. Reconex will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for good and services. As part of its procurement process, Reconex will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to Reconex of such opportunities. Reconex's representatives have already contacted the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, Reconex will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

As defined in Section 65-5-212:

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000.00).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000.00)

III. ADMINISTRATION

Reconex's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting Reconex's full efforts to provide equal opportunities for small and minority businesses. The Administrator of the Plan will be:

Ms. Anne Lynch
Regulatory Manager
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
Telephone: 503-982-5572
Facsimile: 503-982-6077
Email: anne.lynch@reconex.com

The Administrator's responsibilities will include:

- (1) maintaining an updated Plan in full compliance with Section 65-5-212 and the rules and orders of the Tennessee Regulatory Authority.
- (2) establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) serving as the primary liason to and cooperate with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in Section 65-5-212.
- (5) searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) providing records and reports and cooperate in any authorizes surveys as required by the Tennessee Regulatory Authority.
- (7) establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to sue such businesses.
- (8) providing information and educational activities to persons within Reconex and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chamber of Commerce

The Tennessee Department of Commerce

Small Business Administration

Office of Minority Business

The National Minority Supplier Development Counsel

The National Association of Women Business Owners

The National Association of Minority Contractors

Historically Black Colleges, Universities, and Minority Institutions

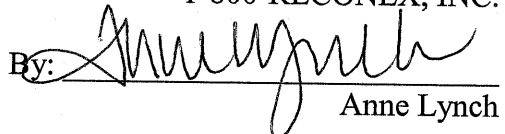
The efforts to promote and ensure equal opportunities for small and minority-owned business are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned business will include offering, where appropriate and feasible, small and minority-owned business assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

Reconex will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, Reconex will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this Plan.

Reconex will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, Reconex will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

1-800-RECONEX, INC.

By: 
Anne Lynch

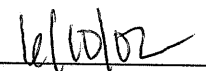
Dated: 

EXHIBIT
“H”

1-800-RECONEX, INC.
INTRALATA TOLL DIALING PARITY PLAN

INTRODUCTION

1-800-RECONEX, Inc. ("Reconex") will initiate the process that will give eligible end-user customers the opportunity to designate a carrier for their intraLATA toll call traffic in those market areas where Reconex is a facilities-based local exchange service provider. IntraLATA toll calls will automatically be directed to the designated carrier without the customer having to dial an access code.

POLICIES

Reconex will have its underlying service providers deploy two-PIC (Primary Interexchange Carrier) technology in its switches (or switch partitions). This technology will enable the customer to presubscribe to the same or a different carrier for their intraLATA and/or interLATA service.

Appropriate tariffs will be revised and filed in accordance with this plan.

Reconex will offer customers the ability to access all participating carriers by dialing the appropriate access code (10XXX/101XXXX).

All eligible Reconex end user telephone line numbers will be presubscribed and must have a PIC associated with them.

CARRIER INFORMATION

Interexchange carriers will have the option of offering intraLATA service only or intraLATA and interLATA service.

Interexchange carriers will have the option of participating in all market areas or in a specific market area.

Interexchange carriers will be required to return a completed Non-Disclosure Agreement and Participation Agreement(s).

Reconex will not participate in billing disputes for intraLATA service between alternative competing interexchange carriers and their customers.

Reconex representatives will not initiate or accept three-way calls from alternative interexchange carriers to discuss presubscription.

Carriers wishing to participate will be requested to submit Access Service Requests/Translation Questionnaires to the Access Tandem owner and to Reconex.

CALL ELIGIBILITY/TOLL DIALING PLAN

A local service customer of Reconex will have calls routed according to the following plan:

<u>If Reconex Customers Dial:</u>	<u>The Call is Handled By/Routed To:</u>
911	PSAP on originating line number
411/555-1212	LEC Directory Assistance Operator
0-	LEC Operator
0+ intraexchange number	IntraLATA Toll Provider
1 + 7 or 10 digits	IntraLATA Toll Provider
0 + 7 or 10 digits interexchange number	InterLATA Toll Provider
10XXX or 101XXXX + 0	XXX/XXXX Carrier
10XXX or 101XXXX + 0 + 7 or 10 digits	XXX/XXXX Carrier
10XXX or 101XXXX + 7 or 10 digits	XXX/XXXX Carrier

If a Reconex customer originates a call to a carrier Operator by dialing 00-, the call will be routed to the PIC on that customer's line. If the customer originates a call to a carrier Operator by dialing an access code (e.g., 10XXX/101XXXX+0-), the call will be routed to the XXX/XXXX carrier. In both cases, the carrier's switch is responsible for routing this call to the carrier's Operator or to an announcement

NETWORK INFORMATION

All originating intraLATA traffic will initially be routed via the incumbent Local Exchange Carrier (LEC) Access Tandem(s). Following conversation, direct trunks between the Reconex switch and (or partition) and the interexchange carrier location(s) may be provisioned where traffic volumes warrant.

Interexchange carriers must have Feature Group D trunks in place (or ordered) between their points of presence and the incumbent LEC Access Tandem(s).

Reconex will route all originating intraLATA traffic to the designated carrier and will only block traffic at the request of the end user customer and/or in compliance with regulatory requirements. Requests from carrier to block traffic or to remove customer from their network will not be honored. Calls that cannot be completed to a carrier will be routed to an announcement.

CUSTOMER CONTACT INFORMATION

Reconex customer contact representative will process customer initiated PIC selections to Reconex or to an alternative intraLATA carrier. Carriers will have the option of allowing the Reconex representative to process PIC requests on their behalf.

Reconex will not ballot or allocate their customer base. At the time of conversation, all customers will be "PIC'd" to Reconex or its designee unless another carrier is chosen by the particular customer.

Reconex customer contact representative will not comment on a customer's choice of its intraLATA PIC when the customer contacts Reconex to change the PIC. Reconex customer contact representatives will respond to customer inquiries about intraLATA carriers in a competitively neutral fashion. If a customer requests information relating to carriers other than Reconex, a list of participating carriers will be read to that customer in random order by Reconex representatives.

If the intraLATA toll carrier selected by the customer permits Reconex to process orders on its behalf, Reconex will accept the PIC change request. If the customer selects an intraLATA toll carrier that does not allow Reconex to process PIC changes on its behalf, Reconex will provide the customer with the carrier's toll-free number (if provided by the carrier).

Reconex representatives will not discuss alternative carrier rates or services and will not provide customers with Carrier Identification Codes or access code dialing instructions.

MISCELLANEOUS ITEMS

Slamming – Reconex will be subject to rules relating to slamming as indicated in Tennessee Regulatory Authority Rule 1220-4-2-.56, Sections (2)-(19) and 1220-4-2.58, Sections (1)-(16).

Nondiscriminatory Access – Reconex will provide nondiscriminatory access for their customers, including any Resellers, as it relates to access of telephone numbers; operator assistance; directory assistance; and director listing.

PRESUBSCRIPTION INFORMATION

A \$5.00 change charge will be incurred and billed to a Reconex customer for each eligible line where a PIC change is made. Reconex will offer its customers a 12-month grace period following Plan implementation during which the customers may change intraLATA carriers without a PIC change charge. Customers can make one PIC change during these 12 months at no charge. After the 12-month period, Reconex will assess the

\$5.00 PIC change charge. Reconex offers interexchange carriers the option of having the PIC charge billed to the carrier or to the customer.

New line customers, including customers adding lines, will have the opportunity to select a participating carrier, or they will be assigned a NO PIC designation. If a customer cannot decide upon an intraLATA carrier at the time of order, Reconex will offer the customer a 12-month grace period following placement of the customer's service order for the customer to select an intraLATA carrier without charge. Such a customer will be assigned NO PIC designation in the interim. After this 12-month period, Reconex will assess the \$5.00 PIC change charge as described above. Customers assigned a NO PIC designation as set forth in this paragraph will be required to dial an access code to reach an intraLATA carrier's network.

If a Reconex customer denies requesting a change in intraATA toll providers as submitted by an intraLATA carrier, and the intraLATA carrier is unable to produce a Letter of Agency signed by the customer, the intraLATA carrier will be assessed a \$30.00 charge for the unauthorized PIC change and the PIC will be changed as per the customer's request, in addition to any other penalties authorized by law.

Alternative interexchange carriers may submit PIC changes to Reconex via a fax/paper interface.

Reconex will process intraLATA PIC selections in the same manner and under the same intervals of time as interLATA PIC changes.

Carriers will be required to submit PIC changes using the Customer Account Record Exchange (CARE) format via paper medium. Reconex will provide carriers with PIC order confirmation and reject information using the CARE format. Specific details regarding CARE will be provided to participating carriers.

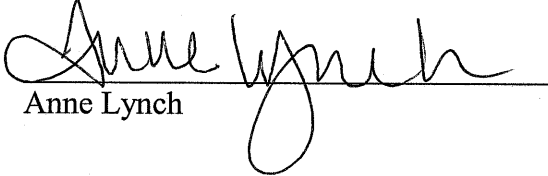
For customers who change their local service provide from the incumbent LEC to Reconex and retain their incumbent LEC telephone number(s), Reconex, as a part of the CARE PIC process, will provide the selected intraLATA carrier with both the retained (incumbent LEC) telephone number and the Reconex telephone number.

Dated: June 3, 2002

EXHIBIT
“I”

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Notice of the Application of 1-800-Reconex, Inc., for a Certificate to Provide Competitive Local Telecommunications Service within the State of Tennessee was served by United States mail on the parties of record identified on the attached list on this 10th day of June 2002.


Anne Lynch

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:

**APPLICATION OF 1-800-RECONEX, INC.,
FOR A CERTIFICATE TO PROVIDE
COMPETITIVE LOCAL
TELECOMMUNICATION SERVICES**

NOTICE

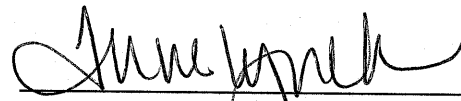
**TO: ALL CERTIFIED INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFIED IN TENNESSEE (FACILITIES-BASED)**

In accordance with the Tennessee Regulatory Authority's ("TRA") Rules of Practice and Procedure you are hereby given notice that on 1-800-RECONEX, Inc. filed an Application for Certificate to Provide Facilities-Based Competitive Local Telecommunications Services with the TRA.

Additional information concerning this proceeding may be obtained from the Commission or the Company at the following address:

Anne Lynch, Regulatory Manager
PO Box 40
Hubbard, Oregon 97032
503-982-5572 (phone)
503-982-6077 (fax)

Dated this 10th day of June, 2002



Anne Lynch
Regulatory Manager

**Incumbent Local Exchange Service Providers Certificated In Tennessee
(Facilities-based)**

<p><u>Ardmore Telephone Company, Inc.</u></p> <p>P.O. Box 549 517 Ardmore Avenue Ardmore, TN 38449</p> <p>(205) 423-2131 (205) 423-2208 (Fax)</p>	<p><u>BellSouth</u></p> <p>333 Commerce Street Nashville, TN 37201-3300</p> <p>(615) 214-3800 (615) 214-8820 (Fax)</p>	<p><u>Century Telephone of Adamsville</u></p> <p>P.O. Box 405 116 N. Oak Street Adamsville, TN 38310</p> <p>(901) 632-3311 (901) 632-0232 (Fax)</p>
<p><u>Century Telephone of Claiborne</u></p> <p>P.O. Box 100 507 Main Street New Tazewell, TN 37825</p> <p>(423) 626-4242 (423) 626-5224 (Fax)</p>	<p><u>Century Telephone of Ooltewah-Collegedale, Inc.</u></p> <p>P.O. Box 782 5616 Main Street Ooltewah, TN 37363</p> <p>(423) 238-4102 (423) 238-5699 (Fax)</p>	<p><u>Citizens Communications Company of Tennessee</u></p> <p>P.O. Box 770 300 Bland Street Bluefield, WV 24701</p>
<p><u>Citizens Communications Company Of The Volunteer State</u></p> <p>P.O. Box 770 300 Bland Street Bluefield, WV 24701</p>	<p><u>Loretto Telephone Company, Inc.</u></p> <p>P.O. Box 130 Loretto, TN 38469</p> <p>(931) 853-4351 (931) 853-4329 (Fax)</p>	<p><u>Millington Telephone Company, Inc.</u></p> <p>4880 Navy Road Millington, TN 38053</p> <p>(901) 872-3311 (901) 873-0022 (Fax)</p>
<p><u>Sprint-United</u></p> <p>112 Sixth Street Bristol, TN 37620</p> <p>(423) 968-8161 (423) 968-3148 (Fax)</p>	<p><u>TDS Telecom-Concord Telephone Exchange, Inc.</u></p> <p>P.O. Box 22610 701 Concord Road Knoxville, TN 37933-0610</p> <p>(423) 966-5828 (423) 966-9000 (Fax)</p>	<p><u>TDS Telecom-Humphreys County Telephone Company</u></p> <p>P.O. Box 552 203 Long Street New Johnsonville, TN 37134-0552</p> <p>(931) 535-2200 (931) 535-3309 (Fax)</p>

**TDS Telecom-Tellico
Telephone Company,
Inc.**

P.O. Box 9
102 Spence Street
Tellico Plains, TN 37385-
0009

(423) 671-4600
(423) 253-7080 (Fax)

**TDS Telecom-
Tennessee Telephone
Company**

P.O. Box 18139
Knoxville, TN 37928-
2139

(423) 922-3535
(423) 922-9515 (Fax)

**TEC-Crockett
Telephone Company,
Inc.**

P.O. Box 7
Friendship, TN 38034
(901) 677-8181

**TEC-People's
Telephone Company,
Inc.**

P.O. Box 310
Erin, TN 37061

(931) 289-4221
(931) 289-4220 (Fax)

**TEC-West Tennessee
Telephone Company,
Inc.**

P.O. Box 10
244 E. Main Street
Bradford, TN 38316

(901) 742-2211
(901) 742-2212 (Fax)

**United Telephone
Company**

P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034

(931) 364-2289
(931) 364-7202 (Fax)

EXHIBIT
“J”

BEFORE THE
TENNESSEE REGULATORY AUTHORITY

APPLICATION OF 1-800-RECONEX, INC.
FOR A CERTIFICATE TO PROVIDE
COMPETING LOCAL TELEPHONE
SERVICES

PRE-FILED TESTIMONY OF WILLIAM BRAUN

I, William Braun, do hereby testify as follows in support of the application of 1-800-RECONEX, Inc. ("Reconex")("Applicant") for a Certificate of convenience and necessity as a competing telecommunications service provider to provide telecommunication services throughout the state of Tennessee,

Q: Please state your full name, business address, and position.

A: My name is William Braun. My business address is 2500 Industrial Avenue, Hubbard, Oregon 97032. I am the Vice President, Secretary and General Counsel for the Applicant.

Q: Please describe your business experience and educational background.

I joined 1-800-RECONEX in 1997. I am an attorney licensed to practice in the states of Oregon and California. As an attorney for the past 19 years, I have served in a litigation and advisory capacity for private firms, corporations and governmental entities. I hold a BA in Political Science from California State University, Long Beach and JD from Northwestern School of Law of Lewis and Clark College. I am a member of the American Bar Association, the Oregon Bar Association, the California Bar Association, and the Federal Communications Bar Association.

Q: Are all statements in Reconex's Application true and correct to the best of your knowledge, information and belief?

Yes.

Q: Does Reconex possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A: Yes. The company has sufficient technical, financial, and managerial resources and ability to provide the telecommunications services for which authority is sought herein. The Company's personnel represents a broad spectrum of business and technical disciplines, possessing many years of individual and aggregated telecommunications experience. The qualifications and experience of the members of the senior management team are set forth in the Application.

The Company has been providing local exchange service since 1992. Reconex has met the managerial, technical, and financial requirements in all 46 jurisdictions (including Tennessee) in which it is presently certified.

The Company Call Center and Provisioning Department benefit from state-of-the-art automated systems which allow for ease of communications with the Company's customers and a streamlined ordering process with the Incumbent Local Exchange Carriers and Interexchange Carriers.

Q: Please describe Reconex's financial qualifications.

A: In support of Reconex's financial ability to provide the services sought herein, Reconex's Financial Statements were submitted as Exhibit (F) to the Application. In addition, as indicated above, Reconex has been providing local exchange services since 1992 and has met the financial standards and requirements in forty-six jurisdictions, including the state of Tennessee. Finally, various members of the Board of Directors of the company have extensive financial experience and expertise with companies such as PricewaterhouseCoopers, Georgia Pacific, and Hunt Capital Partners, L.P.

Q: What services will Reconex offer?

A: Reconex was approved to provide resold telecommunications service on July 9, 1997, Case No. 97-1188, and currently provides local residential telecommunications service through reselling the services of the Incumbent Local Exchange Carrier (ILEC).

It's Reconex's desire to provide local exchange telecommunications service on both a resale and unbundled network element platform (UNE-P) basis. Reconex seeks authority to operate as a facility-based local exchange telecommunications service provider in order to provision service via UNE-P.

Reconex has no plans at this time to construct, install, or maintain any telecommunications transmission facilities of its own. Reconex intends to engage in the provision of telecommunications via "switchless" resale and utilization of UNE-P.

Reconex will arrange for the traffic of underlying subscribers to be routed directly over the networks of Applicant's network providers.

Q: Will Reconex offer service to all customers within its service area?

A: Yes.

Q: Does Reconex plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?

Reconex intends to offer local exchange telecommunications services through the use of the facilities of BellSouth, Sprint/United and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996

Q: Will the granting of a certificate of convenience and necessity to Reconex serve the public interest?

A: Yes. Commission approval should bring the following long-term benefits to telephone users:

- (1) More competition, additional services, and a better product at competitive prices;
- (2) Increased consumer choice as well as innovative telecommunications services;
- (3) Development of an expanded telecommunications supply industry in Tennessee; and
- (4) An expanded tax base and revenue source for the state of Tennessee.

Q: Does Reconex intend to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service?

A: Yes.

Q: Has any state ever denied Reconex or one of its affiliates authorization to provide intrastate service?

A: On June 4, 1998, the Public Utility Commission of South Dakota denied the Application of Sterling International Funding, Inc., d/b/a Reconex, the predecessor of 1-800-RECONEX, Inc., for a Certificate of Authority to provide local exchange service. The denial was based on the failure of Sterling to respond to requests from the Commission for additional data.

Sterling's failure to respond was based on the fact that the additional requests for data were never received. Sterling had moved its corporate headquarters in February of 1998 and had informed all state Commissions. For reasons still unknown, the requests for additional information did not arrive at the new corporate headquarters. When Sterling received the June 4, 1998 denial we immediately filed for a Motion for Reconsideration based on the above facts and the Motion, as well as, ultimate certification were granted.

There have been no other denials of Reconex, or any of its affiliates, for any authority to provide telecommunications services.

Q: Has any state ever revoked the certification of Reconex or one of its affiliates?

A: No.

Q: Has Reconex or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?

A: On July 23, 1999, Reconex was served with a formal complaint by the state of Washington Utilities and Transportation Commission (WUTC). The Complaint alleged violations of various Washington Administrative Rules and were largely in the nature of meeting specific time frames for the delivery of bills and the filing of disconnection notices, charging the proper amounts under the tariff and the ultimate disconnection of the customer. The complaint concerned the provision of the Reconex local exchange service only. The Commission and Reconex agreed that the bulk of these issues were caused by the Reconex system, which at the time, was not capable of programming on a state specific basis and developed a settlement plan geared around system improvements and the imposition of a fine.

Reconex has not been the subject of any other investigations or sanctions by any regulatory authority for service or billing irregularities.

Q: Who is knowledgeable about Reconex's operations and will serve as Reconex's regulatory and customer service contact?

A: Regulatory Issues can be handled by Anne Lynch our Regulatory Manager at 503-982-5572. General customer service questions, complaints, inquiries can be handled by our call center by calling our toll-free number, 1-800-275-8223. Commission inquiries into customer service issues can be directed to Dennis Kelley our Director of Operations at 503-982-5578.

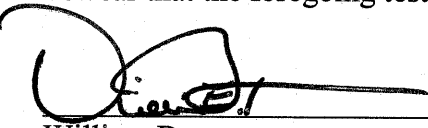
Q: Please explain in detail Reconex's proposed procedures for responding to information requests from the TRA and its staff.

Reconex currently provides timely Commission data requests for forty-six (46) jurisdictions including Tennessee. Any information request from the TRA and its staff would be directed to Anne Lynch, our Regulatory Manager. Anne Lynch's primary duty is to respond to Commission information requests which would include any requests from the TRA and its staff.

Q: Does this conclude your testimony?

A: Yes. I would like to thank the Commission for this opportunity to provide information relevant to Reconex's Application and am ready to provide any additional information that the Commission may need in making its decision.

I swear that the foregoing testimony is true and correct to the best of my knowledge.



William Braun
Corporate Secretary/General Counsel
1-800-RECONEX, Inc.

Subscribed and sworn to me this 18th day of June 2002.

Notary Public 

State of Oregon
County of Marion

My commission expires 10/22/05

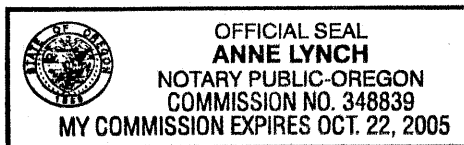


EXHIBIT
“K”

EXCHANGE ACCESS TARIFF

ACCESS SERVICES TARIFF

REGULATION AND SCHEDULE OF CHARGES

APPLICABLE TO ACCESS SERVICES

WITHIN THE STATE OF TENNESSEE

1-800-RECONEX, INC.

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by 1-800-RECONEX, Inc. This tariff is on file with the Tennessee Regulatory Authority. Copies may be inspected during normal business hours at the Company's principal place of business at 2500 Industrial Avenue, Hubbard, Oregon 97032

ISSUED: June 13, 2002

EFFECTIVE: July 15, 2002

**BY: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032**

EXCHANGE ACCESS TARIFF

CHECK SHEET

All Pages of this tariff are effective as of the date shown. Original and revised pages, as named below, comprise all changes from the original tariff in effect on the date indicated.

<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revision</u>
1	Original	38	Original
2	Original	39	Original
3	Original	40	Original
4	Original	41	Original
5	Original	42	Original
6	Original	43	Original
7	Original	44	Original
8	Original	45	Original
9	Original	46	Original
10	Original	47	Original
11	Original	48	Original
12	Original	49	Original
13	Original	50	Original
14	Original	51	Original
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36	Original		
37	Original		

ISSUED: June 13, 2002

EFFECTIVE: July 15, 2002

BY: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

EXCHANGE ACCESS TARIFF

RESERVED FOR FUTURE USE.

ISSUED: June 13, 2002

EFFECTIVE: July 15, 2002

**BY: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032**

EXCHANGE ACCESS TARIFF

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ISSUED: June 13, 2002EFFECTIVE: July 15, 2002

BY: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

EXCHANGE ACCESS TARIFF

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ISSUED: June 13, 2002

EFFECTIVE: July 15, 2002

BY: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

EXCHANGE ACCESS TARIFF

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ISSUED: June 13, 2002

EFFECTIVE: July 15, 2002

BY: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

EXCHANGE ACCESS TARIFF

EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purpose indicated below:

- | | | |
|----------|---|--|
| D | - | To signify deleted or discontinued rate or regulation. |
| I | - | To signify increased rate. |
| M | - | To signify a move in the location of text. |
| N | - | To signify new rate or regulation. |
| R | - | To signify reduced rate. |
| T | - | To signify a change in text but no change in rate or regulation. |

ISSUED: June 13, 2002

EFFECTIVE: July 15, 2002

**BY: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032**

EXCHANGE ACCESS TARIFF

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate access service within the State of Tennessee by 1-800-RECONEX, Inc. (hereinafter "the Company"). The provision of service by the Company as set forth in this tariff does not constitute a joint undertaking with the Customer for the furnishing of any service.

ISSUED: June 13, 2002

EFFECTIVE: July 15, 2002

**BY: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032**

EXCHANGE ACCESS TARIFF

1. DEFINITIONS

Certain terms used generally throughout this tariff for the Access Services of this Company are defined below.

8XX Data Base Access Service: The term "8XX Data Base Access Service" denotes a toll-free originating Trunkside Access Service when the 8XX Service Access Code (i.e., 800, 822, 833, 844, 855, 866, 877, or 888 as available) is used. The term 8XX is used interchangeably with 800 Data Base Service throughout this Tariff to describe this service.

Access Code: A uniform five or seven digit code assigned by the Company to an individual customer. The five digit code has the form 10XXX, and the seven digit code has the form 950-XXXX or 101XXXX.

Access Service: Switched or Special Access to the network of an Interexchange Carrier for the purpose of originating or terminating communications.

Access Service Request (ASR): The industry service order format used by Access Service customers and access providers as agreed to by the Ordering and Billing Forum. Also referred to as Access Service Order.

Access Tandem: An Exchange Carrier's switching system that provides a concentration and distribution function for originating or terminating traffic between local switching centers and Customers' premises.

Authority: The Tennessee Regulatory Authority.

Authorized User: A person, firm, corporation or other entity that either is authorized by the Customer to use Access Services or is placed in a position by the Customer, either through acts or omissions, to use Access Services.

Carrier or Common Carrier: See Interexchange Carrier or Exchange Carrier.

Channel(s): An electrical or, in the case of fiber optic-based transmission systems, a photonic communications path between two or more points of termination.

Common Channel Signaling (CCS): A high speed packet switched communications network which is separate (out of band) from the public packet switched and message networks. It is used to carry addressed signaling messages for individual trunk circuits and/or database related services between signaling points in the CCS network.

Company: 1-800-RECONEX, Inc., which is the issuer of this tariff.

Conventional Signaling: The inter-machine signaling system has been traditionally used in North America for the purpose of transmitting the called number's address digits from the originating Local Switching Center which terminates the call. In this system, all of the dialed digits are received by the originating switching machine, a path is selected, and the sequence of supervisory signals and outpulsed digits is initiated. No overlap outpulsing ten digit ANI, ANI information digits, or acknowledgement link are included in this signaling sequence.

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Customer: The person, firm, corporation or other entity which orders service and is responsible for the payment of charges and for compliance with the Company's tariff regulations. The Customer could be an interexchange carrier, a wireless provider, or any other carrier authorized to operate in the state.

Dedicated: A facility or equipment system or subsystem set aside for the sole use of a specific customer.

Duplex Service: Service which provides for simultaneous transmission in both directions.

End User: Any individual, association, corporation, governmental agency or any other entity other than an Interexchange Carrier which subscribes to intrastate service provided by an Exchange Carrier.

Exchange Carrier: Any individual, partnership, association, joint-stock company, trust, governmental entity or corporation engaged in the provision of local exchange telephone service.

Firm Order Confirmation (FOC): Acknowledgment by the Company of receipt of an Access Service Request from the Customer and commitment by the Company of a Service Date.

Individual Case Basis (ICB): A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer's situation.

Interexchange Carrier (IC) or Interexchange Common Carrier: Any individual, partnership, association, joint-stock company, trust, governmental entity or corporation engaged in state or foreign communication for hire by wire or radio, between two or more exchanges.

Joint User: A person, firm or corporation designated by the Customer as a user of access facilities furnished to the Customer by the Company, and to whom a portion of the charges for such facilities are billed under a joint use arrangement.

LATA: A local access and transport area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192 for the provision and administration of communications services.

Line Information Data Base (LIDB): The data base which contains billing information such as telephone numbers, calling card numbers and associated billed number restriction data used in connection with the validation and billing of calls.

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Local Access: The connection between a customer's premises and a point of presence of the Local Exchange Carrier.

Local Switching Center: The switching center where telephone exchange service customer station Channels are terminated for purposes of interconnection to each other and to interoffice trunks.

Meet Point: A point of interconnection that is not an end office or tandem.

Meet Point Billing: The arrangement through which multiple exchange carriers involved in providing access services, divide the ordering, rating, and billing of such services on a proportional basis, so that each exchange company involved in providing a portion of the access service agrees to bill under its respective tariff.

Network: The Company's digital fiber optics-based network located in the Continental United States.

Network Services: The Company's telecommunications access services offered on the Company's Network.

Non-Recurring Charges: The one-time initial charges for services or facilities, including but not limited to charges for construction, installation, or special fees, for which the customer becomes liable at the time the Service Order is executed.

Off-Hook: The active condition of switched access or a telephone exchange service line.

Off-Net: A Customer is considered to be Off-Net when its point of presence is not served by the same Hub in which the Company's Local Switching Center, which is providing service to the Customer, is located.

On-Hook: The idle condition of switched access or a telephone exchange service line.

On-Net: A Customer is considered to be On-Net when its point of presence is served by the same Hub in which the Company's Local Switching Center, which is providing service to the Customer, is located.

Out of Band Signaling: An exchange access signaling feature which allows customers to exchange call control and signaling information over a communications path which is separate from the message path.

Point of Presence: Location where the Customer maintains a facility for purposes of interconnecting to the Company's Network.

Point to Point Service: An unswitched full time transmission service utilizing the Company's facilities to connect two or more customer designated locations.

Premises: The space occupied by a Customer or Authorized User in a building or buildings or on contiguous property (except railroad rights-of-way, etc.).

Presubscription: An arrangement whereby an End User may select and designate to the Company an Interexchange Carrier (IXC) or Carriers it wishes to access, without an access code, for completing both intraLATA toll calls and/or interLATA calls. The selected IXC(s) are referred to as the End User's Primary

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Interexchange Carrier (PIC): The End User may select any IXC that orders FGD Switched Access Service at the Local Switching Center that serves the end user.

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Service Commencement Date: For Special Access Service and Direct Connect Switched Access Service, the first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date. If the Company does not have an executed Service Order from a Customer, the Service Commencement Date will be the first date on which the service or facility was used by the Customer. For Tandem Connect Customers, the Service Commencement Date will be the first date on which the service or facility was used by the Customer.

Service Order: The written request for Access Services executed by the Customer and the Company in a format devised by the Company; or, in the alternative, the submission of an Access Service Request by the Customer in the manner specified in this tariff. The signing of a Service Order or submission of an ASR by the Customer and acceptance thereof by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

Service(s): The Company's telecommunications Access Services offered on the Company's network.

Shared Facilities: A facility or equipment system or subsystem which can be used simultaneously by several customers.

Signaling Point of Interface: The Customer designated location where the SS7 signaling information is exchanged between the Company and the Customer.

Signaling System 7 (SS7): The common Channel Out of Band Signaling protocol developed by the Consultative Committee for International Telephone and Telegraph (CCITT) and the American National Standards Institute (ANSI).

Signaling Transfer Point Access: Allows the Customer to access a specialized switch which provides SS7 network access and performs SS7 messaging routing and screening.

Special Access Service: Dedicated access between a Customer's Premises and another Point of Presence for the purpose of originating or terminating communications.

Switched Access Service: Access to the switched network of an Exchange Carrier for the purpose of originating or terminating communications.

Trunk: A communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection.

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2. REGULATIONS**2.1 Undertaking of the Company****2.1.1 Scope**

Access Services consist of furnishing communications service in connection with one-way and/or two-way information transmission between points within the State of Tennessee under the terms of this tariff. The Company's services offered pursuant to this tariff are furnished for Switched Access Service. The Company may offer these services over its own or resold facilities. The Company installs, operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities as required in the Authority's rules and orders, when authorized by the Customer, to allow connection of a Customer's location to the Company network. The Customer shall be responsible for all charges due for such service agreement.

The Company's services and facilities are provided on a monthly basis unless otherwise indicated, and are available twenty-four hours per day, seven days per week.

2.1.2 Shortage of Equipment or Facilities

2.1.2.1 The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company when necessary because of lack of facilities or due to some other cause beyond the Company's control.

2.1.2.2 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the company may obtain from other Carriers from time to time, to furnish service as required at the sole discretion of the Company.

2.1.2.3 The provisioning and restoration of service in emergencies shall be in accordance with Part 64, Subpart D, Appendix A of the Federal Communications Authority's Rules and Regulations, which specifies the priority system for such activities.

2.1.3 Terms and Conditions

2.1.3.1 Except as otherwise provided herein, service is provided and billed on the basis of a minimum period of at least one month, and shall continue to be provided until cancelled by the Customer, in writing, on not less than 30 days notice. Unless otherwise specified herein, for the purpose of computing charges in this tariff, a month is considered to have 30 days.

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2.1.3.2 Customers may be required to enter into written Service Orders which shall contain or reference the name of the Customer, a specific description of the service ordered; the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customer will also be required to execute any other documents as may be reasonably requested by the Company.

2.1.3.3 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon 30 days written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.

2.1.3.4 This tariff shall be interpreted and governed by the laws of the State of Tennessee without regard for the State's choice of laws provisions.

2.1.3.5 The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to section 2.1.3.6 below.

2.1.3.6 The Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

2.1.4 **Liability of the Company**

2.1.4.1 The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by act or omission, shall be limited to the extension of allowances for interruption as set forth in 2.6 below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

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2.1.4.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this tariff. The Company's liability, if any, with regard to delayed installation of Company facilities or commencement of service, shall not exceed \$1,000. With respect to any other claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair interruption or restoration of any service or facilities offered under this tariff, and subject to the provisions of Section 2.6, the Company's liability, if any, shall be limited as provided herein.

2.1.4.3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction action, or request of The United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal state, or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts work stoppages, or other labor difficulties.

2.1.4.4 The Company shall not be liable for (a) any act or omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for interconnection with Access Services; or (b) for the acts or omissions of other Common Carriers or warehousemen.

2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

2.1.4.6 The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits, or other actions, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location, or use of any installation or equipment provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section 2.1.4.6 as a condition precedent to such installations.

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2.1.4.7 The Company shall not be liable for any defacement of or damage to Customers Premises resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof, unless such defacement or damage is caused by the willful misconduct of the Company's agents or employees. No agents or employees of other participating Carriers shall be deemed to be agents or employees of the Company.

2.1.4.8 Notwithstanding the Customer's obligations as set forth in Section 2.3.2 below, the Company shall be indemnified, defended and held harmless by the Customer, or by others authorized by it to use the service, against any claim, loss or damage arising from Customer's use of services furnished under this tariff, including: claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service; and patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others; all other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this tariff.

2.1.4.9 The Company shall be indemnified and held harmless by the End User against any claim, loss or damage arising from the End User's use of services offered under this tariff including: claims for libel, slander, invasion of privacy or infringement of copyright arising from the End User's own communications; patent infringement claims arising from the End User's combining or connecting the service offered by the Company with facilities or equipment furnished by the End User of another Interexchange Carrier; or all other claims arising out of any act or omission of the End User in connection with any service provided pursuant to this tariff.

2.1.4.10 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.

2.1.4.11 The Company makes no warranties or representations, express or implied, either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.

2.1.4.12 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, Channels, or equipment which result from the operation of Customer-provided systems, equipment, facilities or service which are interconnected with Company services.

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2.1.4.13 The Company does not guarantee nor make any warranty with respect to service installations at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer and End User shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other actions, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.

2.1.4.14 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's Network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall ensure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the Company's network are of the proper mode, bandwidth, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in Section 2.1.6 following, and that the signals do not damage Company equipment, injure its personnel or degrade service to other Customer. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company equipment, personnel, or the quality of service to other Customers, the Company, may, upon written notice, require the use of protective equipment at the Customer's expense.

If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service without liability.

2.1.4.15 The Company shall not be liable for any act or omission concerning the implementation of presubscription, as defined herein, unless it is due to the gross negligence of the Company.

2.1.4.16 With respect to Telecommunications Relay Service (TRS), any service provided by Company which involves receiving, translating, transmitting or delivering messages by telephone, text telephone, a telecommunications device for the deaf, or any other instrument over the facilities of Company or any connecting Carrier, Company's liability for the interruption or failure of the service shall not exceed an amount equal to the Company's charge for a one minute call to the called station at the time the affected calls was made.

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2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customer's services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable, notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

2.1.6 Provision of Equipment and Facilities

2.1.6.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2 The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

2.1.6.3 The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.

2.1.6.4 Equipment the Company provides or installs at the Customer premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.

2.1.6.5 The Customer shall be responsible for the payment of service charges imposed on the Company by another entity, for visits to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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2.1.6.6 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Notwithstanding the above, the Company shall not be responsible for:

- (a) the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission;
- (b) the reception of signals by Customer-provided equipment; or
- (c) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

2.1.6.7 The Company intends to work cooperatively with the Customer to develop network contingency plans in order to maintain maximum network capability following natural or man-made disasters which affect telecommunications services.

2.1.6.8 The Company reserves the reasonable right to assign, designate or change telephone numbers, any other call number designations associated with Access Services, or the Company serving central office prefixes associated with such numbers, when necessary in the conduct of its business.

2.1.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in unusual locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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2.1.8 Special Construction

Subject to the arrangement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken and characterized by one or more of the following:

- (a) where facilities are not presently available and there is no other requirement for the facilities so constructed;
- (b) of a type other than that which the Company would normally utilize in the furnishing of its services;
- (c) where facilities are to be installed over a route other than that which the Company would normally utilize in the furnishing of its services;
- (d) where facilities are requested in a quantity greater than that which the Company would normally construct;
- (e) where installation is on an expedited basis;
- (f) on a temporary basis until permanent facilities are available;
- (g) installation involving abnormal costs; or
- (h) in advance of its normal construction schedules.

Special construction charges for Special and Switched Access Service will be determined as described in this tariff.

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents, contractors or suppliers.

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2.2 Prohibited Uses

2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.2.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Authority regulations, policies, orders, and decisions.

2.2.3 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

2.3 Obligations of the Customer

2.3.1 The Customer shall be responsible for:

- (a) the payment of all applicable charges pursuant to this tariff;
- (b) reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages to its facilities or equipment, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated in the Company's right of recovery of damages to the extent of such payment;
- (c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space, and power to operate Company facilities and equipment installed on the Customer Premises, and the level of heating and air conditioning necessary to maintain the proper operating environment on such Premises;
- (d) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide Access Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(c) above. Any costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this subsection prior to accepting an order for service;

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2.3 Obligations of the Customer**2.3.1 The Customer shall be responsible for: (contd.)**

(e) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the Premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing, and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;

(f) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses, and permits as may be required with respect to, the location of Company facilities and equipment in any Customer Premises or the rights-of-way for which Customer is responsible for obtaining under Section 2.3.1(d) above; and granting or obtaining permission for Company agents or employees to enter the Customer Premises at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company; and

(g) not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities.

2.3.2 Claims

With respect to any service or facility provided by the Company; Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs, and expenses, excluding reasonable attorneys' fees and court costs, for:

(a) any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees;

(b) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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2.3.3 Jurisdictional Reporting

2.3.3.1 Percent Interstate Usage (PIU): The jurisdictional reporting requirements will be as specified below. When a Customer orders Access Service, the Customer must provide the Company with a report of its Projected Percent Interstate Usage (PIU). In addition, the Customer must provide the Company with an auditable PIU report in each calendar quarter following installation of service. The Customer must provide the PIU report in whole numbers. The PIU report will be used by the Company to apportion the Customer's use and/or charges between interstate and intrastate service. If the Customer fails to provide the required PIU report, the PIU factor will be determined as set forth in 2.3.3.1.1 below and shall not be retroactively adjusted if the Customer provides the factor at a later date.

2.3.3.1.1 Effective on the first of January, April, July and October of each year the Customer shall update the PIU factor and report the result to the Company (Quarterly PIU Report). The Quarterly PIU Report will be based on the Customer's traffic in preceding 3-month period (calendar quarter) ending the last day of December, March, June and September (calendar quarter), respectfully, and shall serve as the basis of the PIU factor to be used for the next calendar quarter.

2.3.3.1.1.1 If the Customer does not provide the Company a Quarterly PIU Report, the Company will assume the PIU factor to be the same as specified in the Quarterly PIU Report most recently provided by the Customer. If a Customer has never provided the Company a Quarterly PIU Report or the Customer is a new customer, the Company will assume the PIU factor to be the same as specified in the Access Service Request, except, of the Company can reasonably determine jurisdiction by the Customer's monthly call detail, the Company will determine the Customers' PIU on a monthly basis. If a Customer has never provided the Company a Quarterly PIU Report and has never provided a PIU factor in a Access Service Request, the Company will set the Customer's PIU factor on a default basis as 50 percent interstate and 50 percent intrastate traffic for the next calendar quarter.

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2.3.3.1.2 Originating Access: Originating access minutes may be based on traffic originating at the State, LATA or Local Switching Center level, provided that the traffic being measured is only traffic originating from the Company Local Switching Center(s). Originating access minutes will be measured as follows, based on type of access:

2.3.3.1.2.1 For Feature Group D Switched Access Service(s), as defined in Section 5.2.1, where the Company can determine jurisdiction by it's call detail, the projected Percent Interstate Usage (PIU) will be developed by the Company on a monthly basis by dividing the measured interstate originating access minutes by the total originating access minutes.

2.3.3.1.2.2 For Feature Group D with 950 Access, as defined in Section 5.5.3.1, the Customer must provide the Company with a projected PIU factor by supplying the Company with an interstate percentage of originating access minutes.

2.3.3.1.2.3 For 500, 700, 800/888, calling card and operator service access, the Customer must provide the Company with a projected PIU factor for each type of access. Customers who provide a PIU factor shall supply the Company with an interstate percentage of originating access minutes.

2.3.3.1.3 Terminating Access: For Feature Group D Switched Access Service(s), the Customer must provide the Company with a projected PIU factor by supplying the Company with an interstate percentage of terminating access minutes on a quarterly basis, as described in Sections 2.3.3.1.

2.3.3.2 Percent Local Usage (PLU): The jurisdictional reporting requirements will be as specified below. When a Customer orders Access Service, the Customer must provide the Company with a report of its Projected Percent Local Usage (PLU). In addition, the Customer must provide the Company with an auditable PLU report in each calendar quarter following installation of service. The Customer must provide the PLU report in whole numbers. The PLU report will be used by the Company to apportion the Customer's use and/or charges between interstate and intrastate service. If the Customer fails to provide the required PLU report, the PLU will be determined as set forth in 2.3.3.2.1 below and shall not be retroactively adjusted if the Customer provides the factor as a later date.

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2.3.3.2.1 Effective on the first of January, April, July and October of each year the Customer shall update the PLU factor and report the result to the Company (Quarterly PLU Report). The Quarterly PLU Report will be based on the Customer's traffic in preceding 3-month period (calendar quarter) ending the last day of December, March, June and September (calendar quarter), respectfully, and shall serve as the basis of the PLU factor to be used for the next calendar quarter.

2.3.3.2.1.1 If the Customer does not provide the Company a Quarterly PLU Report, the Company will assume the PLU factor to be the same as specified in the Quarterly PLU Report most recently provided by the Customer. If a Customer has never provided the Company a Quarterly PLU Report or the Customer is a new customer, the Company will assume the PLU factor to be the same as specified in the Access Service Request, except, of the Company can reasonably determine jurisdiction by the Customer's monthly call detail, the Company will determine the Customers' PLU on a monthly basis. If a Customer has never provided the Company a Quarterly PLU Report and has never provided a PLU factor in a Access Service Request, the Company will set the Customer's PLU factor on a default basis as 50 percent interstate and 50 percent intrastate traffic for the next calendar quarter.

2.3.3.3 Jurisdictional Reports Verification: For Switched Access Service, if a billing dispute arises or a regulatory commission questions the projected PIU factor, the Customer will provide the data issued to determine the projected PIU factor. The Customer will supply the data within 30 days of the Company request.

The Customer shall keep records of call detail from which the percentage of interstate and intrastate use can be ascertained and, upon request of the Company, shall make the records available for inspection as reasonably necessary for purposes of verification of the percentages.

For Special Access Service, if a billing dispute arises or the Authority questions the projected PIU factor, the Company will provide the data used to determine the certified interstate percentage within 30 days of the Company's request. The Customer shall keep records of system design and functions from which the percentage was determined, and, upon request of the Company, shall make the records available for inspection as reasonably necessary for purposes of verifications of the percentages.

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2.3.3.3.1 The Company reserves the right to conduct an audit of the Customer's PIU Report and PLU Report. The Company and/or the customer may request an audit of the PIU Report or the PLU Report within 6 months of the Company's receipt the PIU Report and/or PLU Report, as applicable. Such request must be made on no less than ten days written notice to the other party. Audits shall be conducted during normal business hours at the office of the party being audited. Such audit must be performed by an independent auditor mutually agreed to by the parties. Independent auditor cost will be paid for by the party which requests the audit.

2.3.3.4 Determination of Jurisdiction of Mixed Use Special Access Service: When an ASR is submitted for interstate and intrastate Special Access Service, the Customer will provide to the Company an estimate of whether the interstate traffic will comprise more than 10 percent or less than 10 percent of total traffic. For existing services, the Customer is required to certify the jurisdiction of its service.

(a) If the Customer estimates that the interstate traffic on the service involved constitutes 10 percent or less of the Customer's total traffic on that service, the service will be provided in accordance with the applicable rules and regulations of this tariff.

(b) If the Customer estimates that the interstate traffic on the service involved constitutes more than 10 percent of the Customer's total traffic on that service, the service will be provided in accordance with the applicable rules and regulations of the Company's federal tariffs.

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2.4 Customer Equipment and Channels**2.4.1 In General**

A Customer may transmit or receive information or signals via the facilities of the Company.

2.4.2 Station Equipment

2.4.2.1 The Customer is responsible for providing and maintaining any terminal equipment on the Customer Premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a service may be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to impair the Company's right to discontinue forthwith the use of a service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the temporary discontinuance. During such period of temporary discontinuance, credit allowance for service interruptions as set forth in Section 2.6 following is not applicable.

2.4.2.2 The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

2.4.3 Interconnection of Facilities

2.4.3.1 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Access Services and the Channels, facilities, or equipment of others shall be provided at the Customer's expense.

2.4.3.2 Access Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

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2.4.4 Inspections

2.4.4.1 Upon reasonable notification to the Customer, and at reasonable times, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.2 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

2.4.4.2 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment, and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for services and facilities furnished by the Company to the Customer or its joint or Authorized Users.

2.5.1.1 Taxes

The Customer is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) excluding taxes on the Company's net income imposed on or based upon the provision, sale or use of Access Services. All such taxes shall be separately designated on the Company's invoices. Any taxes imposed by a local jurisdiction (e.g., county and municipal taxes) will only be recovered from those Customers located in the affected jurisdictions. If an entity other than the Company (e.g. another carrier or a supplier) imposes charges on the Company, in addition to its own internal costs, in connection with a service for which the Company's non-recurring charge is specified, those charges will be passed on to the Customer. It shall be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

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2.5.1.2 A surcharge is imposed on all charges for service originating at addresses in states which levy, or assert a claim of right to levy, a gross receipts tax on the Company's operations in any such state, or a tax on interstate access charges incurred by the Company for originating access to telephone exchanges in that state. This surcharge is based on the particular state's receipts tax and other state taxes imposed directly or indirectly upon the Company by virtue of, and measured by, the gross receipts or revenues of the Company in that state and/or payment of interstate access charges in that state. The surcharge will be shown as a separate line item on the Customer's monthly invoice.

2.5.2 Billing and Collection of Charges

The Company shall bill on a current basis all charges incurred by, and credits due to, the Customer under this tariff attributable to services established, provided, or discontinued during the preceding billing period. All bills for services provided to or on behalf of the Customer by the company are due immediately.

2.5.2.1 Non-Recurring Charges are payable when the service for which they are specified has been performed. Recurring Charges which are not dependant on usage will be billed in advance of the month in which service is provided. The Company bills Non-Recurring Charges and Recurring Charges monthly to the Customers.

2.5.2.2 All bills for services provided to or on behalf of the Customer by the Company are due and payable upon receipt. Charges which have not been paid within 30 days of the invoice date are considered past due.

2.5.2.2.1 If the payment due date would cause payment to be due on a Saturday, Sunday or Holiday (New Year's Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, or any day which is a legally observed Federal government Holiday), the payment due date shall be as follows:

2.5.2.2.1.1 If the payment due date falls on a Sunday or on a Holiday which is observed on Monday, the payment date shall be the first non-Holiday day following that day, and;

2.5.2.2.1.2 If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day following such Saturday or Holiday.

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2.5.2.3 When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro-rata basis, based on a thirty-day month.

2.5.2.4 Billing of the Customer by the Company will begin on the Service Commencement Date. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

2.5.2.5 Amounts not paid within 30 days after the date of invoice will be considered past due and subject to the following late payment provisions.

2.5.2.5.1 Late Payment Charges: If (i) no payment is received by the Company from the Customer, (ii) a partial payment of the amount due is received by the Company after the payment due date and/or (iii) payment is received by the Company in funds that are not immediately available to the Company, a late payment charge shall be applied. The late payment charge will be a amount equal to the greater of the following:

2.5.2.5.1.1 The highest interest rate which may be levied by law for commercial transactions, compounded daily for each day from the payment due date through and including the date the Customer makes payment to the Company; or,

2.5.2.5.1.2 1.5 percent of the amount due per each month. Calculation by this method yields an 18 percent annual percentage rate.

Interest shall not be assessed on any previously assessed late payment charges.

If the Company becomes concerned at any time about the ability of a Customer to pay its bills, the Company may require that the Customer pay its bills within a specified number of days less than 30 days after the date of the invoice and make such payments in cash or the equivalent of cash. If a service is disconnected by the Company in accordance with Section 2.5.5 following and later restored, restoration of service will be subject to all applicable installation charges.

2.5.2.6 Billing Dispute: The Customer shall notify the Company of any disputed items on an invoice. The customer may dispute the bill orally or in writing at any time once the invoice is received. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Tennessee Regulatory Authority in accordance with the Authority's regulations. If the customer disputes a bill and the dispute requires documentation, the Customer must document its claim to the Company in writing.

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2.5.2.6.1 For written complaints sufficient documentation consists of, but is not limited to, the following information, where such information is relevant to the dispute and available to the Customer:

The nature of the dispute (i.e., alleged incorrect rate, alleged incorrect minutes of use, etc.), including the basis for the Customer's belief that the bill is incorrect;

The type of usage (i.e., originating or terminating);

The Company end office where the minutes of use originated or terminated (if applicable);

The number of minutes in dispute;

The billing account number(s) (BANs) assigned by the Company;

The dollar amount in dispute;

The date of the bill(s) in question;

Circuit number or complete system identification and DS3 system identification if the dispute concerns a Connecting Facility Assignment (CFA) on a DS1. Line number, trunk number and Two Six Code (TSC) should also be provided;

Purchase Order Number (PON) and dates involved (due date or as-of date) for disputes involving order activity and what the Customer believe is incorrect (e.g. non-recurring charge, mileage, circuit identification) and why they believe it to be incorrect (not received, not ordered, incorrect rate, etc.) For order activity disputes documentation should include traffic reports, billing cycle, and, is the service is shared, both main and shared service BANs. Line number, trunk number and Two Six Code as well as end-office identification should also be provided; and/or,

Any other information necessary to facilitate dispute resolution.

If additional information from the Customer would assist in resolving the dispute, the Customer may be requested to provide this information. This data may include, but is not limited to, summarized usage data by time of day. The request for such additional information shall not affect the dispute date established by this section.

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2.5.2.6.2 The date of resolution shall be the date on which the Company completes its investigation of the dispute, notifies the Customer of the disposition and, if the billing dispute is resolved in favor of the Customer, applies the credit for the amount of the dispute resolved in the Customer's favor to the Customer's bill, including the disputed amount interest credit, as appropriate.

2.5.2.7 Ordering, Rating and Billing of Access Services Where More Than One Exchange Carrier is Involved.

All Recurring and Non-Recurring Charges for services provided by each Exchange Carrier are billed under each Company's applicable tariffs. Under a Meet Point Billing arrangement, the Company will only bill for charges for traffic carried between the Company Local Switching Center and the End User.

The multiple billing arrangement described in this section is subject to the provisions of the Multiple Exchange Carrier Access Billing Guidelines (MECAB) and the Multiple Exchange Carrier Ordering and Design Guidelines (MECOD), except that the Company will not bill for local transport as described in MECAB. The Company will bill the Tandem Connect (as defined in Section 5.3.3.1.1) rate elements as specified in this Tariff.

The Company must notify the Customer of: 1) the meet point option that will be used; 2) the Carrier(s) that will render the bill(s); 3) the Carrier(s) to whom payment should be remitted; and 4) the Carrier(s) that will provide the bill inquiry function. The Company shall provide such notification at the time orders are placed for Access Service. Additionally, the Company shall provide this notice in writing 30 days in advance of any changes in the arrangement.

The Company will handle the rating and billing of Access Services under this tariff where more than one Exchange Carrier is involved in the provision of Access Services, as follows: each company will provide its portion of access service based on the regulations, rates and charges contained in its respective access service tariff, subject to the following rules, as appropriate:

- (a) The application of non-distance sensitive rate elements varies according to the rate structure and the location of the facilities involved:

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(i) when rates and charges are listed on a per minute basis, the Company's rates and charges will apply to traffic originating from the Customer's Premises and terminating at the End User's premises, and vice versa.

2.5.3 Advance Payments

To safeguard its interests, the Company may in its sole discretion require a Customer to make an Advance Payment before services and facilities are furnished. The Advance Payment will not exceed an amount equal to the Non-Recurring Charge(s) for installation costs and special construction, and one month's charges for the service or facility ordered. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated Non-Recurring charges for the special construction and Recurring Charges (if any) for a period to be set by agreement between the Company and the Customer. The Advance Payment will be credited in its entirety to the Customer's initial bill. The advance payment is due 10 business days following the date the Company confirms acceptance of the order, or on the application date, whichever is later. If the advance payment is not received by such payment date, the order may be cancelled. When the Customer cancels an access service request, the order will be withdrawn. An Advance Payment may be required in addition to a deposit.

2.5.4 Reserved for Future Use

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2.5.5 Refusal and Discontinuance of Service

2.5.5.1 Upon nonpayment of any amounts owing to the Company, the Company may, by giving prior written notice to the Customer advising that it has 5 days to make settlement on the account or have service disconnected, discontinue or suspend service without incurring any liability.

2.5.5.2 Upon violation of any of a material term or condition for furnishing service the Company may, by giving 5 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.

2.5.5.3 Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

2.5.5.4 Upon any governmental prohibition, or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

2.5.5.5 Upon the Company's discontinuance of service to the Customer under Section 2.5.5.1 or 2.5.5.2 above, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

2.5.5.6 When Access Service is provided by more than one Company, the companies involved in providing the joint service may individually or collectively deny service to a Customer for nonpayment. Where the Company(s) affected by the nonpayment is incapable of effecting discontinuance of service without cooperation from the other joint providers of Switched Access Service, such other Company(s) will, if technically feasible, assist in denying the joint service to the Customer. Service denial for such joint service will only include calls originating or terminating within, or transiting, the operating territory of the Company initiating the service denial for nonpayment. When more than one of the joint providers must deny service to effectuate termination for nonpayment, in cases where a conflict exists in the applicable tariff provisions, the tariff regulations of the company whose Local Switching Center serves the Customer shall apply for joint service discontinuance.

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2.5.5.7 The Company may discontinue the furnishings of any and/or all service(s) to a Customer, without incurring any liability:

2.5.5.7.1 Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services. The Company may discontinue service pursuant to this sub-section 2.5.5.7.1.(a-f), if

- (a) The Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications services or its planned use of service(s); or
- (b) The Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of common carrier communications services, or its planned use of the Company's service(s); or
- (c) The Customer states that it will not comply with a request of the Company for security for the payment for service(s) in accordance with Section 2.5.4.1 above; or
- (d) The Customer has been given written notice by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's other common carrier communications services to which the Customer either subscribes or had subscribed or used; or
- (e) The Customer uses service to transmit a message, locate a person or otherwise give or obtain information without payment for the service; or
- (f) The Customer uses, or attempts or use, service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service by:
 - (1) Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this tariff; or
 - (2) Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
 - (3) Any other fraudulent means or devices.

2.5.5.7.2 Immediately upon written notice to the Customer, after failure of the Customer to comply with a request made by the Company for security for the payment of service in accordance with Section 2.5.4.1, above; or

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2.5.5.7.3 Ten (10) days after sending the Customer written notice of noncompliance with any provision of this tariff if the noncompliance is not corrected within that ten (10) day period. The discontinuance of service(s) by the Company pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished up to the time of discontinuance.

2.5.6 Cancellation of Application for Service

2.5.6.1 Applications for service are non-cancelable unless the Company otherwise agrees. Where the Company permits the Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except as may be specified in this Section and Section 3.2.3.

2.5.6.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the company that would have been chargeable to the Customer had service begun.

2.5.6.3 The special charges described in 2.5.6.1 through 2.5.6.2 will be calculated and applied on a case-by-case basis.

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2.7 Cancellation of Service

2.7.1 If a Customer cancels services before the completion of the term for any reason whatsoever, the Customer agrees to pay to the Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and shall be payable within the period set forth in Section 2.5.2: all costs, fees, and expenses reasonably incurred in connection with 1) all Non-Recurring Charges reasonably expended by Company to establish service to Customer, plus 2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus 3) all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term.

The terms and conditions specified in Section 3.2.3 will apply for cancellation of an Access Service Request.

2.8 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent Company or affiliate of the Company (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

2.9 Notices and Communications

2.9.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that the Customer may also designate a separate address to which the Company's bills for service shall be mailed.

2.9.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that the Company may designate a separate address, on each bill for service, to which the Customer shall mail payment on that bill.

2.9.3 All notices or other communications required to be given pursuant to this tariff shall be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication, or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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2.10 Application of Rates

The regulations set forth in this section govern the application of rates for services contained in other sections of this tariff.

2.10.1 Charges Based on Duration of Use

Customer traffic to end offices will be measured (i.e., recorded or assumed) by the Company at end office switches or access tandem switches. Originating and terminating calls will be measured (i.e., recorded or assumed) by the Company to determine the basis for computing chargeable access minutes. In the event the Customer message detail is not available because the company lost or damages tapes or experienced recording system outages, the Company will estimate the value of lost Customer access minutes of use based on previously known values. For originating calls over Feature Group D, usage measurement begins when the originating Feature Group D switch receives the first wink supervisory signal forwarded from the Customer's point of termination.

The measurement of originating call usage ends when the originating Feature Group D switch receives disconnect supervision from either the originating end user's end office, indicating the originating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

For terminating calls over Feature Group D, the measurement of access minutes begins when the terminating Feature Group D switch receives answer supervision from the terminating end user's end office, indicating the terminating end user has answered. For terminating calls over FGD Access Service, the measured minutes are chargeable access minutes. Where assumed minutes are used, the assumed minutes are the chargeable access minutes.

The measurement of terminating call usage over Feature Group D ends when the terminating Feature Group D switch receives disconnect supervision from either the terminating end user's end office, indicating the terminating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

FGD access minutes or fractions thereof, the exact value of the fraction being a function of the switch technology where the measurement is made, are accumulated over the billing period for each end office, and are then rounded up to the nearest access minutes for each end office.

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2.11 Billing Name and Address

2.11.1 Service Description

Billing Name and Address (BNA) service provides account detail of the Company's customers to interexchange carriers, operator service providers, enhanced service providers, and any other provider of interstate telecommunications services.

2.11.2 General

- A. Upon acceptance of an order for BNA service, the Company will furnish account detail for each working number submitted. Account detail consists of current data base information including the end user's billing name and billing address.
- B. Only current information which resides in the Company's data base will be provided. Customers ordering BNA service must accept BNA account detail on an "as is" basis.
- C. The Company will specify the location where requests for BNA service are to be received, and the format in which the requests are to be provided.
- D. The subscribing customer must agree that BNA information will not be resold or otherwise provided to any other person, corporation, partnership or entity, other than Customer's authorized billing agent, and that Billing Name and Address shall be used by Customer or Customer's authorized billing agent solely for:
 - 1. Billing its customers for using Customer's telecommunications services.
 - 2. Any purpose associated with the equal access requirement of United States v. AT&T, 552 F. Supp. 131 (D.D.C. 1982).
 - 3. Verification of service orders of new customers, identification of customers who have moved to a new address, fraud prevention, and similar nonmarketing purposes.

For calling card calls and collect and third party billed calls, Billing Name and Address for ANI service is not available on accounts of nonpublished/unlisted end users who, by request to the Company (which request may be submitted at any time), have specified that such information not be released.

E. Manual Request

- 1. At the customer's option, the Company will provide BNA via manual request procedures.
- 2. BNA service information will be provided by the Company in standard paper format via facsimile or first class U.S. mail.
- 3. The data will be provided in a time frame mutually agreed to by the customer and the company. Availability of data may be delayed if errors exist in the request received from the customer.

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F. Mechanized Request

1. At the customer's option, the Company will provide BNA, subject to procedures established for Customer Account Record Exchange (CARE).
2. The customer will submit its requests through proper CARE procedures, as revised or amended.

G. Upon receipt of a request from a vendor for BNA, the Company will provide the requested information to the vendor within ten (10) business days of the Company's receipt of the vendor's request. Both the request and the provision of the BNA information will be in a mutually agreed-upon format.

The number of BNA records for which charges apply will be accumulated by the Company, and billed to the customer on a monthly basis at the rates set forth in this tariff.

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ACCESS SERVICE ORDER

- 3.1 **General:** An Access Service Order is used by the Company to provide a customer Access Service.

3.1.1 **Information Required**

When placing an order for Access Service, the customer shall provide, at a minimum the following information:

- A. For Feature Group D Switched Access Service, the Customer shall specify the number of busy hour minutes of capacity (BHMC) from the customer's premises to the end office by Feature Group and by traffic type. This information is used to determine the number of transmission paths. The Customer shall also specify the Local Transport and Local Switching options. Customers may, at their option, order FGD by specifying the number of trunks and the end office when direct routing to the end office is desired and the Local Transport and Local Switching options desired. When ordering by trunk quantities rather than BHMC quantities to an end office, the customer must also provide the Company an estimate of the amount of traffic it will generate to and/or from each end office subtending an access tandem operated by another Exchange Telephone Company to assist the Company in its own efforts to project further facility requirements.

In addition, for Feature Group D with the SS7 option, the customer shall specify the switching point codes and trunk circuit identification codes for trunks with the SS7 option, and the STP point codes, signaling link codes and link type for each Common Channel Signaling Access (CCSA) connection ordered.

When a customer orders FGD in trunks, the Customer is responsible to assure that sufficient access facilities have been ordered to handle its traffic.

- B. For 8XX Data Base Access Service, the customer shall order the service in accordance with the preceding provisions set forth for Feature Group D.
- C. For Local Access Service, the customer shall specify the number of trunks or facilities and the end office when direct routing to the end office is desired and the options desired. When ordering trunks or facilities to an end office, the customer must also provide the Company an estimate of the amount of traffic to be generated to and/or from each end office subtending an access tandem operated by another Exchange Telephone Company to assist the Company in the effort to project further facility requirements. In addition, when the customer orders trunks or facilities, the customer is responsible for assuring that sufficient access facilities have been ordered to handle its traffic.

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- 3.1.2 **Access Service Request Modifications:** The Customer may request a modification of its ASR prior to the Service Commencement Date. All modifications must be in writing using the industry ASR process. The Company, in its sole discretion, may accept a verbal modification from the Customer. The Company will make every effort to accommodate a requested modification when it is able to do so with the normal work force assigned to complete such an order within normal business hours. Charges for access service order modification will apply as set forth below, on a per occurrence basis.

Any increase in the number of Special Access Service Channels, Switched Access Service lines, trunks, Direct Connect transport facilities, Out of Band Signaling connections or any change in engineering or functionality of a service will be treated as a new ASR with a new Service Date interval.

- 3.1.3 **Service Commencement Date Changes:** ASR service dates for the installation of new services or rearrangement of existing services may be changed, but the new service date may not exceed the original Service Commencement Date by more than 30 calendar days. When, for any reason, the Customer indicates that service cannot be accepted for a period not to exceed 30 calendar days, and the Company accordingly delays the start of service, a Service Date Change Charge will apply. In addition, when the Customer submits a request for a Service Date Change that is less than five business days from the date of notification by the Customer, a Service Date Change Charge and an Expedite Charge will apply. No Expedite Charge will apply if the Customer requests a Service Date Change that is more than 5 business days from the date of request by the Customer but earlier than the original requested Service Commencement Date.

If the Customer requested service date is more than 30 calendar days after the original service date, the order will be cancelled by the Company on the 31st day. Appropriate cancellation charges will be applied. If the Customer still requires the service, the Customer must place a new ASR with the Company.

The Service Date Change Charge will apply on a per order, per occurrence basis for each service date changed.

- 3.1.4 **Design Change Charge:** The Customer may request a Design Change to the service ordered. A Design Change is any change to an ASR which requires Engineering Review. An Engineering Review is a review by Company personnel of the service ordered and the requested changes to determine what change(s) in the design, if any, are necessary to meet the Customer's request. Design Changes include such changes as the addition or deletion of optional features or functions, a change in the type of Transport Termination (Switched Access only) or type of Channel interface. Any other changes are not considered Design Changes for purpose of this subsection and will require issuance of a new ASR and the cancellation of the original ASR with appropriate cancellation charges applied. The Design Change Charge will apply on a per order, per occurrence basis, for each order requiring a Design Change.

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- 3.1.5 Expedited Order Charge:** When placing an Access Order for service(s) for which a Standard Interval exists, a Customer may request a Service Commencement Date that is earlier than the Standard Interval Service Date, in which case an Expedite Charge will apply. The Expedite Charge will not apply if the new Service Commencement Date is more than five days from the date of the request to the Company of the expedited order request. The request for an earlier service date may be received from the Customer prior to its issuance of an ASR, or after the ASR has been issued but prior to the service date. The Company has the exclusive right to accept or deny the Expedite Order request. However if, upon reviewing availability of equipment and scheduled work load, the Company agrees to provide service on an expedited basis and the Customer accepts the Company's proposal, an Expedite Charge will apply.

If the Company is subsequently unable to meet an agreed upon expedited service date, then the Expedite Charge will not apply.

In the event the Company provides service on an expedited basis on the Customer's request, and the Customer delays service or is not ready for delivery of service at the time of installation, a Service Date Change Charge will apply in addition to the Expedite Charge.

In the event that the Customer cancels an expedite request, the Expedite Charge will be added to any applicable Cancellation Charge specified herein.

In the event that the Customer requests a Service Date Change after the Company has received the original expedite request, the Expedite Charge will still apply.

An Expedite Charge will not be applied to orders expedited for Company reasons.

If costs other than additional administrative expenses are to be incurred when the Access Order is expedited, the regulations and charges for Special Construction as set forth in this tariff will apply.

The Expedited Order Charge will apply on a per order, per occurrence basis, as specified in the customer service agreement.

- 3.1.6 Cancellation of an Access Service Request:** A Customer may cancel an ASR for the installation of Switched Access Service at any time prior to notification by the Company that service is available for the Customer's use. The cancellation date is the date the Company receives written or verbal notice from the Customer that the order is to be cancelled. The verbal notice must be followed by written confirmation within 10 days. A Customer may negotiate an extension of a service date of an ASR for installation of new services or rearrangement of existing service, in which case a Service Date Change Charge will apply. However, the new service date cannot exceed the originally established service date by more than 30 calendar days. On the 31st day beyond the original service date, the ASR will be cancelled and the appropriate Cancellation Charge will be applied.

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A Customer may cancel an ASR for the installation of Special Access Service without incurring a charge at any time prior to the acceptance of a Negotiated Interval Service Date by the Customer. Cancellation Charges will apply for Special Access Service if the Customer cancels more than 48 hours after the Application Date. Cancellation Charges for Expedited Orders will be applied for any order cancelled from the Application Date forward.

If the Company misses a service date for a Standard or Negotiated Interval Access Order by more than 30 days due to circumstances such as acts of God, governmental requirements, work stoppages and civil commotions, the Company shall not be liable for such delay and the Customer may cancel the ASR without incurring cancellation charges.

- 3.1.7 Minimum Period of Service: The minimum period for which Access Service is provided and for which charges are applicable is specified in a written agreement signed by the customer.
- 3.1.8 When Service is disconnected prior to the expiration of the minimum period, charges are applicable for the balance of the minimum period. For Switched Access Service, the charge for a month or fraction thereof is equivalent to 50,000 billed minutes of use for the applicable service. All applicable Non-Recurring Charges for the service will be billed in addition to the Minimum Period Charge.

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4. SWITCHED ACCESS SERVICE DESCRIPTION**4.1 General**

Switched Access Service, which is available to Customers for their use in furnishing their services to end users, provides a two-point communications path between a Customer's Premises and an End User's Premises. It provides for the use of common terminating, switching and transport facilities. Switched Access Service provides the ability to originate calls from an End User's Premises to a customer's premises, and to terminate calls from a Customer's Premises location to an End User's Premises. Switched Access Service is only available when originating or terminating calls from or to an end user which subscribes to the Company's Local Exchange Services.

4.1.1 Feature Group Access

Feature Group (FG) Access provides trunk-side access to Local Switching Center switches, for the Customer's use in originating and terminating communications.

When the Customer has no direct facilities to the Company, all traffic is routed to and from the Company's local switching center via the Customer's tandem provider (Tandem Connect Access). Delivery of calls to, or acceptance of calls from, the Company's end user customer locations via Tandem Connect Access over Company-switched local exchange services shall constitute an agreement by the Customer to purchase Tandem Connect Access services. The Company reserves the right to submit an ASR for Tandem Connect Access.

A. Originating Access

The access code for FG Access switching is a uniform code of the form 101XXXX. (Other supported call types may include FGA, FGB, and 500/700/900 access.) A single access code will be the assigned number of all FG Access provided to the Customer by the Company. When the access code is used, FG Access switching also provides for dialing the digit 0 for access to the Customer's operator service, 911 for access to emergency service, and/or the end of dialing digit (#) for cut-through access to the Customer's premises. Originating 101XXXX FG Access rates also apply where service is accessed via "1+" where presubscription is available.

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B. Terminating Access

Originating and Terminating FG Access provides trunk-side access to Local Switching Center switches with an associated 101XXXX access code for the customer's use in originating or terminating communications. Terminating FG Access may only be used to access end users who are subscribing to the Company's Local Exchange Services. Calls in the terminating direction will not be completed to 950-0XXX or 950-1XXX access codes, local operator assistance (0- and 0+), Directory Assistance, (411 or 555-1212) service codes 611 and 911 and 101XXXX access codes. The customer is responsible to assure that sufficient access facilities have been ordered to handle its traffic.

4.1.2 Local Exchange Access Service

Local Exchange Access Service is available only to customers that are authorized providers of local exchange telephone service, provides trunk side access to Company end office switches in the terminating direction only, for the customer's use in terminating local calls dialed to an NPA-NXX code directly assigned to the Company.

1) Definition

As used in this section, "local exchange call" means a telephonic communication (a) that is originated by a company that is authorized by the appropriate regulatory agency to provide local exchange telephone service, (b) that originates and terminates within a single "exchange area" or "local calling area" as defined in the approved tariffs of the originating company, and (c) that is dialed to an NPA-NXX code directly assigned to the Company in the State of Tennessee.

2) Description

Local Exchange Access Service is a service offering providing trunk side access to the Company's end office switches in the terminating direction only, for use by authorized providers of local exchange telephone service for the completion of local exchange calls that originate in local calling areas of adjoining states and terminate in the state of Tennessee.

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3) Obligation of the Local Exchange Provider

(a) The Company may request an annual audit of the authorized local exchange provider billings for Local Exchange Access Services (calls originating from the Company's end-user to the authorized local exchange provider's end-user). The audit requirement is needed to ensure accurate billing between local exchange calls and non-local exchange calls.

(b) The authorized local exchange provider will be requested to provide a forecast of total usage by each trunk group or facility ordered from the Company for each POI used in a Local Exchange Access Service arrangement.

4) **Rating of Local Exchange Access Service:** For billing purposes, Local Exchange Access Service calls originating from an authorized local exchange provider and terminating on the Company's network (for completion to a Company end user) will be rated at the Company's end office.

The Terminating Usage rate will be applied on a per minute-of-use basis for the completion of calls from an authorized local exchange provider end-user to a Company end-user.

4.1.3 8XX Data Base Access Service

8XX Data Base Access Service provides originating trunk side switched access. When an 8XX+NXX+XXXX call is originated by an End User, the Company will perform the 8XX database query to determine the proper 8XX provider to which the call will be routed.

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5. **SWITCHED ACCESS SERVICE RATES**

5.1 **General**

This section contains the specific regulations governing the rates and charges that apply for Switched Access Services. There are three types of rates and charges that may apply to Switched Access Service:

Non-Recurring Charges: One-time charges that apply for a specific work activity.

Recurring Charges: Fixed charges apply each month and depend on the number and type of facilities in place.

Usage Charges: Charges that are applied on a per access minute basis. Usage rates are accumulated over a monthly period.

5.2 **Rate Categories**

5.2.1 **Originating Access**

\$0.025 per minute.

5.2.2 **Terminating Access**

\$0.025 per minute.

5.2.3 **Local Exchange Access**

\$0.025 per minute.

5.2.4 **8XX Data Base Query**

The 8XX Data Base Query Charge, will apply for each Toll-Free 8XX call query received at the Company's (or its provider's) 8XX data base.

\$0.005 per query.

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5.3 Miscellaneous Charges

5.3.1 Returned Check Charge

\$25.00 per occurrence.

5.3.2 Service Date Change

\$25.00 per occurrence.

5.3.3 BNA Information

\$0.50 per customer inquiry.

Each individual name or address requested during an inquiry will be charged the \$0.50 inquiry fee stated above.

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SECTION 6.0 - SPECIAL ARRANGEMENTS

6.1 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on an Individual Case Basis (ICB) in response to a bona fide special request from a customer or prospective Customer to develop a competitive bid for a service, or to establish rates for services for which the Company has not yet established generically tariffed rates. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

6.2 Contracts

The Company may provide any of the services offered under this tariff, or combinations of services, to Customers on a contractual basis. The terms and conditions of each contract offering are subject to the agreement of both the Customer and Company. Such contract offerings will be made available to similarly situated Customers in substantially similar circumstances. Rates in other sections of this tariff do not apply to Customers who agree to contract arrangements, with respect to services within the scope of the contract.

Services provided under contract are not eligible for any promotional offerings which may be offered by the Company from time to time.

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